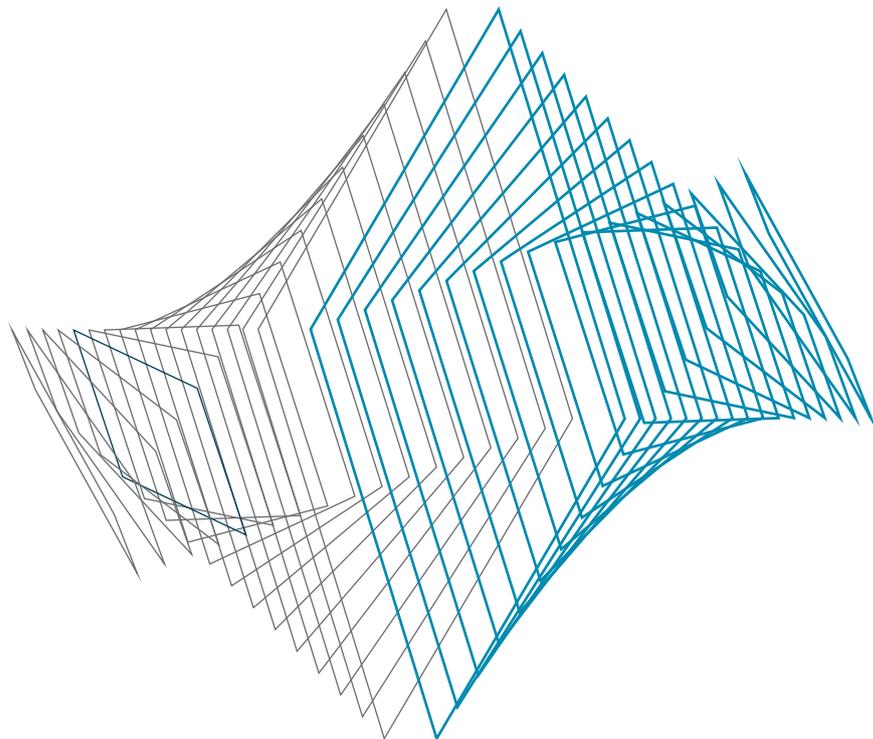


# Conference proceedings Entrepreneurial spirit III.



VYSOKÁ  
ŠKOLA  
EKONOMIE  
A MANAGEMENTU

2016

# Conference Proceedings

## Entrepreneurial spirit III

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# 1 Introduction

The main mission and objective of VSEM is to be an independent higher education institution offering internationally competitive study programmes.

The educational process at VSEM involves conveying information on development and current trends in line with the concepts and approach of individual study programmes, with the objective of preparing the graduates to succeed in the increasingly competitive environment of the integrated and globalized world.

We encourage the students' personal and professional growth by supporting their self-confidence and social responsibility. We help them to put their ambitions and personal beliefs into effect, and maintain international ethical standards.

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In creating, updating and assessing the quality of the study programmes, majors, and specializations, VSEM cooperates with its partner institutions in all fundamental areas of academic focus (economics, management, marketing, information and communication technologies, and human resources), on both national and international levels.

Every year VSEM welcomes many foreign students who wish to spend a part of their studies at a university or an overseas university. VSEM accepts students from all over the world, so that they can experience at least one trimester on our campus.

The annual international student conference „Entrepreneurial spirit“ is organized by the students of University of Economics and Management. The goal of the event is to improve the presentation skills, to provide the floor for discussion and exchange of experiences, and to master the English language of the participants. Therefore, the whole programme is carried out in the English language.

## 2 Student's thesis

### 2.1 Content marketing

#### Aneta Grabmüllerová

**Abstract:** The main objective of this essay is theoretically identify the essential attributes of content marketing, compare it pros and cons and demonstrate its use in practice. The secondary sources, available on-line were used. Based on these facts a literature research was conducted. The information was taken from articles in academic journals, analytics websites, or official websites of the selected organisations. Usage of content marketing is shown on two examples for the purpose of better understanding of the concept and its feasibility. The examples were taken from two different fields to prove its diverse usage.

**Key words:** content marketing, Search Engine Optimisation, content strategy, advertisement, social media

#### Introduction

Marketing is essential for every kind of business. It is quickly changing field and is necessary to stay updated what is trending. Lately, marketing has changed because of technology. In an overload of advertisement marketers are trying to find new ways of how to successfully promote their product. Content marketing became a buzzword and a huge trend in the marketing world. However, there is still skepticism about it. The danger of trends is that there is a lot of misinformation. This essay is providing overall summary of collected information and author's conclusion.

#### Theoretical part

Theoretical part describes principles of content marketing and explains its basic concepts. It defines most used tools and outlines their usage.

#### What is content marketing

There is many different definitions of content marketing. Content marketing Institute (2016b) says: "Content marketing is a strategic marketing approach focused on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly-defined audience — and, ultimately, to drive profitable customer action."

Another source (Sales and Marketing Institute, 2016) describes content marketing as a delivering the content your audience is seeking in all the places they are searching for it. This includes your main website, your social media platforms and your offline marketing initiatives.

All definitions agree on that content marketing is a production and regular publications of quality marketing content which is supposed to entertains and attracts potential customer. By 'content' is meant articles, pictures and videos, posts on blogs, e-mails, e-books, PR articles, or native advertisement. The main purpose of content marketing is publishing

content to enrich the potential customer and build up connection, and get the attraction instead of promotion for direct sales.

Content strategy is planning content production, publishing it and optimising it to meet customers' expectations and reach marketing goals.

Content marketing is becoming more and more popular. According to The Content Strategist (2015a) interests in content marketing has been increasing since 2011, but in the end of 2015 it jumped 20 percent, which is as much as in the previous couple of years. With an increasing popularity of ad blockers (The Content Strategist, 2015b), the usual marketing tools as banner advertisement, a pop-up or Pay-Per-Click (Truong, 2016) are not as effective anymore. Consumers skip TV adverts, ignore direct mail, and according to Plus (2016), 91 percent email users unsubscribe from company emails. Customers prefer to learn about the company through articles rather than advertisement.

The main difference in between traditional advertising and content marketing is their aim. Traditional advertising is targeting costumers for a purchase. Content marketing builds up relationship with a potential customer, boosts reputation, spreads awareness, develops trust, and attracts attention for the purpose of sales promotion and eventually conversion.

### **Tools of content marketing**

To meet marketing goals content marketing is using many different tools and channels to distribute it. Content marketing has become lately fully digital. Quick loading, mobile phone and different browsers optimisation/friendliness should be of matter of course. Instead of printed magazines, there are blogs, and instead of advertorial in printed media, marketers use sponsored content on relevant websites. It is not necessary anymore to produce your own magazines. It is important to attract your audience wherever. The goal is to cover multiple distribution channels to reach the widest possible audience. According to Plus (2016), companies use an average of twelve different tactics.

Most used amplification methods are, according to Marketo (2016), social media (excluding blogs) and article posting, followed by in-person events, e-newsletters, case studies and blogs. To target an audience correctly, a company needs to find successful content in its niche, to analyse where it is being shared the most, who the consumers are, and build up relationships and trust with them.

### **Search Engine Optimisation (SEO)**

SEO is an indispensable tool used to spread a content. SEO helps our content get attention. Eighty percent of consumers use search engine to look up a product before purchasing it (Capala, 2013). To reach the attention of a potential customer, the content must be visible. To make a content visible, company needs to reach high position in a search engine, such as Google. The easiest way how to reach that is to have high quality content However, there are ways of how can be better SEO ranking reached. It is a task for SEO specialists to use keywords and back links correctly to make a website or blog highly visited.

### **Blogs**

Running a blog is a great way to attract your targeted audience, provide them valuable content, and build up reliability and reputation. According to Capala (2013), companies running blogs received significantly more website traffic and leads. Blogs are at the centre of content marketing strategy. It is what is being shared on social media and what is listed

in search engines. Blogging has many advantages. It is its company's own media and it is not influenced by third party as social media platforms and it still contributes to build up community through forums, comment, discussions and sharing on social media. Blogging can increase traffic to your site and improve SEO ranking. Furthermore blogs are easy to use and relatively low-cost.

## **Social media**

Social media are essential tool for distributing content. Content drives social media and social media can be used, not only for distribution but also to listen to audience and understand what they are interested in.

The most used social websites are according to Marketo (2016), are Twitter, Facebook, LinkedIn, and Youtube. The most effective content published on social media is native videos. Facebook became the most used platform for publishing videos. According to Socialbakers (2016), native videos became the fastest-growing ad form on social media.

Publishers and marketers used to use social media for the purpose of sharing links to their content. Nowadays, social media develops and offer its users to publish 'big' content (LinkedIn Pulse, Facebook Instant Articles, Medium by Twitter). Other social websites such as Instagram, Pinterest, SlideShare or Youtube have already platforms for respective content formats (The Content Strategist, 2015a).

Customers use social media more and more to reach requisite brand to ask questions. According to Social bakers (2016), in 2015 were asked 59 percent more questions than in the previous year and only 61 percent of the questions were addressed. That leaves a huge space for an improvement. Social customer care is a way of how to keep customers and create positive relationships.

## **Influencer Outreach**

Nearly every brand produces content. Influencer outreach is a strategy of how to put extra value into its content. Influencer outreach means convincing influential leaders or celebrities to promote a brand (Anon, 2016). The strategy helps to promote content, develops relationships, and increases awareness of a brand. Influencer Marketing Study by Tomoson (2016) found that marketers rate influencer marketing as their fastest-growing online customer-acquisition channel, outpacing organic search and email marketing. The goal of this strategy is to build up helpful value bringing relationship. Bloggers and Youtubers are examples of new kind of influencers.

## **Native advertisement**

Native advertising is defined by Sharethrough (2016) as a form of paid media where the ad experience follows the natural form and function of the user experience in which it is placed. With a decreasing effectiveness of traditional online advertisement (Truong, 2016) and increasing popularity of ad blockers (The Content Strategist, 2015b) native advertisement will become more used. However, not even native web advertisement is ad blocker resistant. Switching to an in-app publishing through, for example, Facebook Instant Articles might be a solution. Another option is an in-feed display ad (promoted posts on Facebook or Twitter, sponsored content on LinkedIn...), which receive more attention than traditional advertisement (LaunchBit, 2016). However, this is still not fully trusted and according to The Content Strategist (2014) more than half of readers don't trust sponsored content.

## **In-person events**

Even though content marketing is implemented mainly online, Content Marketing Institute's research (2016a) shows, in-person events are the most effective tactic in marketing strategy for achieving goals as brand awareness, engagement and eventually, leads. Internet is content overloaded and personal communication creates a much stronger impact on a potential customer and more easily build up relationship (Attend, 2016). A big advantage of those events is that it can reveal who is the audience the brand should target with its online content.

## **Analytical part**

In analytical part author examines advantages and disadvantages of content marketing. Based on their assessment evaluates conclusion.

Second part deals with two examples of content marketing analysed on the base of gained information.

## **Pros and Cons of content marketing**

The content marketing strategy is a new trend and it has its own positive and negative traits and, therefore it is important to know the pros and cons of the content marketing which are described below:

### **Pros**

One of the advantages of content marketing is its longer time frame. With great content, consumers will spend more time on site, which is always good for promoting brand. This also leads to better SEO position. The better content, the better ranking in search engines and more back links, which leads back to even better positions in search engines. With better positions in search engine, brands will receive more social traffic, followers, improve its reputation, and eventually increase conversions. Content marketing is not primarily sales-orientated, it is relationship-building tool, which builds up brand awareness, boost customers' engagement and helps grow a long-term audience. Another advantage of content marketing is its relatively low costs. (Official Bluehost Blog, 2015) Content marketing costs 'only' time.

### **Cons**

Producing high quality marketing takes time, lot of patience, and effort. It is important to cover multiple platforms and to not focus only on one of the many. Successful content marketing strategy will take months before the company will see its results. Not only is time needed, but also an implementation team. Outsourcing is an option, but it has its cons. No one knows organisation culture as well as the owner, management or even employees. Furthermore, even if companies will produce a high quality of content, consumers are still skeptical to the sponsored content. According to The Content Strategist (2015a), more than half of the readers think publication loses credibility by publicising sponsored content. Luckily, its reliability and consumer's trust is increasing.

Content marketing was long time criticised for immeasurability; that it cannot be proved how many consumers of the content will eventually purchase. However, with increasing popularity of content marketing, analysing tools were introduced. For example, Contently

Analytics, Buffer, Optimizely, CoSchedule, and SumoMe offer tools with which content optimisation can be made in almost real time and effectiveness analysed.

### **Examples of well-used content marketing**

There are plenty of well-known brands producing great content, however content marketing is not a strategy applicable only to big companies, but for any brand or organisation in every kind of industry. Author demonstrate it on two examples - one popular sports brand and other one on school institution. Two very different organisations using the same marketing strategy; content marketing.

#### **Salomon**

Salomon running shows a great example of well made content marketing on its Youtube channel, Salomon Running TV. They also put together series of videos capturing one of the best known trail runners, Killian Jornet. A four seasons series called Killian's Quest feature him running in beautiful surroundings, succeeding in various competitions and completing all kind of challenges, all while wearing Salomon's clothing and shoes. All videos have touching and thoughtful content made in high quality.

Salomon is using multiple channels to spread their content. They are running a Facebook page, Twitter account, and an Instagram page where all are focused on running. They upload their videos on Vimeo and Google+. They organise events such as a Salomon Advanced Week where athletes participate or the Salomon running academy camp for young runners.<sup>1</sup>

#### **University of Economics and management Prague (VŠEM)**

Content marketing is not for big well-known brands only. It can be used by any brand or organisation. Another example of usage of content marketing is author's alma mater University of Economics and management in Prague. University is communicating with their students and potential applicants through multiple channels. Besides their own website, VŠEM is running their own blog, communicate through social media Facebook and Twitter. They post videos on their Youtube channel, where publish (besides others) interviews with successful former students (influencers). University organise in-person events as a lectures with successful personalities (Vsem.cz, 2016).

It would be interesting to examine efficiency of each channel, however it is beyond limits of framework of this assignment.

#### **Conclusion**

Is not a question of 'if' but more likely 'how'. Marketers have created more and more content than in the previous year (The Content Strategist, 2016). It is necessary that marketers actually know what are they producing and why they are producing it. That is the only way how to succeed in between content overload which is all over internet.

It is important to analyse efficiency of published content and used channels and optimise it as often as possible. As mentioned before, nowadays there are tools which allows to optimise content almost in a real time.

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<sup>1</sup> Runningacademy.salomon.com. (2016). SRA 2016. [online] Available at: <http://runningacademy.salomon.com/> [Accessed 15 Apr. 2016].

The cons of content marketing may be challenging, however it shouldn't be an insurmountable obstacle. Content marketing needs to be done precisely. It requires a lot of effort, but if it is done well, it is definitely worth it. If content is published just for improving SEO or 'because everyone else is doing so', without providing entertaining content with real value and quality information, it will not work.

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## 2.2 Efficiency of using CRM systems in selected company

**Kateřina Halfarov**

**Abstrakt:** Clem prce je na zklad pozorovn a semi-strukturovanch rozhovor s uivateli systmu doporuit vylepen CRM systmu, tak aby dolo k asov spoře a zvyen pidan hodnoty jak pro uivatele, tak pro klienty vybran spolenosti. Praktick ast prce vychz ze semi-strukturovanch rozhovor s uivateli systmu a pozorovn prce se systmem. Na zklad zjitench nedostatk bude doporueno vylepen pro vt efektivitu vyuivn aplikace. Tato vylepen by mla pinst vy pidanou sledovan spolenosti i jejm klientm. V teoretick asti byla pouita metoda literrn reere z odbornch zdroj. Praktick ast prce byla zaloena na primrnch zdrojch prce a to semi-strukturovanch rozhovorech se vsemi uivateli CRM systmu a pozorovnm prce se systmem. Rozhovory byly nahrvny na diktafon a mly tyři okruhy. Na zklad ve uvedench krok byl pozorovn systm a jeho vyuit uivateli a zpracovna jedna stěžejn a dv dl doporuen pro inovaci systmu.

**Klov slova:** Customer Relationship Management, efektivita prce v systmu CRM, uivatel, zkaznci

**Abstract:** The main aim of this paper is, based on observation and semi-structured interviews with users of the CRM system, to recommend improvements of this system, in order to save time and increase in added value for both users and clients of selected company. The practical part of this paper is based on semi-structured interviews with users of the system and observation of their work with it. Based on detected weaknesses, the improvements for greater efficiency of the system use will be recommended. Those recommendations should bring greater added value for observed company as well as their clients. In the theoretical part, the method of scientific literature review was used. The practical part is based on primary data gained through semi-structured interviews with all CRM system users and on observation of users' work with the system. The interviews, which had four following areas, were recorded on a dictaphone. Based on above mentioned steps one core and two partial recommendations for system innovation was proposed. It was found that the users do not use the potential of company's CRM system fully. The main reason, according to the users, was the lack of time. Later it was discovered, that the reason for not filling in the boxes completely, was lack of added value for the users of the system. After barriers identification, the solution was suggested.

**Key words:** Customer Relationship Management, work efficiency in the CRM system, users, customers

### Introduction

Improvements are necessity activities that are to be used today in the strong competitive market environment not only as words, but to transform them into specific, particular acts and processes. For the company the clients' satisfaction is especially important. But how to reach this satisfaction without having the necessary information? According to Drucker (1993) the information and knowledge are the only and one meaningful source for entrepreneur and thus the other production factors are becoming minor. In today's world of information revolution it is important not only to have these information, but to handle them properly, to record and register them, secure and keep them and also to evaluate

them. This is why the majority of the Customer oriented companies is implementing the Customer Relationship Management systems (further called as CRM), that should help to aim the sales and to increase the market share. The implementation itself and consequent operation of the system may meet a lot of pitfalls and then the system does not serve for the people but vice versa.

The aim of this work is, based on the observations and discussions, to recommend to the user an improvement of the system in order to save the time and to increase the added value for both, as for the user and also for the clients of the respective chosen company.

The practical part of this work comes out from the semi-structured discussions with the system users and observation of the activities with the system. Based on the established deficiencies shall be recommended improvements to increase the efficiency of the application's use. These improvements shall bring a higher added value of the observed company and also to its clients.

### **Theoretical – methodological part**

As presented by Sodomka and Klčová (2010), the most popular sphere of the company's information system belongs to the CRM systems that are aimed on both – user's and also supplying entities. Thanks to new technologies, as the mobile phones and the wireless data transmission, the traditional marketing operations were entirely changed. The organisations must adopt themselves and thus create new business models and strategies. The information comes from searching of the client's needs and their behaviour.

According to the statement of Sodomka and Klčová (2010), the increasing interest to apply the CRM systems is a logical reaction to the changes, which were brought with the development of the multichannel communication and orientation of the companies to the needs and profitability of the customers.

The CRM Customer Relationship Management is, according to Pour (2006), the management of the relations with the customers. It is a complex evidence of the behaviour and customer's information to manage and to search of the customer's behaviour itself. This is a necessary item for marketing creation, business or for communication with customers. In today's competition environment this is a necessary rider for the business activity. The way the respective company will be successful, depends on the CRM system quality and its strategy.

According to Tvrdíková (2008), the CRM can be defined as a form and a way of the company's behaviour in its relation to the customer. The main goal of such strategy is the satisfaction of the customer's needs. Thus, it is not the process automation in the company, but the ability to react flexible on the market development and on the customer's behaviour.

According to the facts as described above, the CRM system is a very important system for every company without dependence on the business segment.

As stated by Hofrichter (2013), the integration of the CRM system has for an organisation following benefits:

- a higher sales productivity;
- possible opportunities of the cross-selling and up-selling;
- improvement of the customer's service, support of their loyalty and retention (long term relation with the customer);
- better profile and aiming of the customer;
- lowering of costs;
- increase of the market share;

- increase of the company 's profitability.

As stated by Vrána, Richta (2005), even after the implementation had been finished, there might arise some requirements to improve:

- caused by postponing the requirement for improvement;
- discovered during the testing period;
- discovered during operation;
- caused by a non-exact original assignment;
- caused by addition of new modules and other functions.

Vrána, Richta (2005) adds that there is necessary to take the requirements for additional adjustments and innovation of the system as a reality and an integral part of the information system 's operation. It is important to choose basic procedure for changes, its consequent analysing and, of course, the system 's evaluation after the realisation of these changes. The cooperation with the supplier must not be finished after the implementation, i.e. vice versa – it is a key item for further development and keeping up of the system.

## **Methodology**

The primary source for the processing a scientific work were the semi-structured discussions with all the employees and the external colleagues of the respective company and consequent observing and the use of the system.

The observed company is dealing with alternative medicine that is being applied by means of bioresonance devices. Altogether, there were investigated 6 users of the system. None of the users is a man. It means all of them are ladies, aged from 26 till 43 years and they are using the system every day; one of them is working as a receptionist, the other is working as a therapist assistant and the remaining four are therapist. The interviews, which had four following areas, were recorded on a dictaphone.

- The classification of the respondents
  - How long are they working in the company and what is their experience with the CRM systems?
- Transfer to another system
  - What was the efficiency of the training? Identification concerning the complications with this transfer?
- The function of the CRM system
  - What are the barriers for an effective use of this system?
- The entire evaluation of the transfer to the new system

This information was used for development of proposals and recommendations how to improve this given CRM – system and to make it more efficient.

As a secondary source there were used monographies and guidelines of the respective company, where the right and proper procedure to fill in the information into the CRM system is described.

Because of using a sensitive internal data and information, the selected company did not want to publish its name and the name of the company was changed to xyz.

## **The Practical part**

The practical part comes out from the semi structured interviews with the CEO of the company xyz, the employees and with the external colleagues that are daily working with the system.

They were altogether 6 respondents. Another source for the practical part was the reception desk and therapist observation during their work and consequent evaluation of their conducted activities with the CRM system.

## **The company presentation and presentation of the tested systems**

The company xyz, according to the Vnitropodniková směrnice of selected company (2016), having a juristically form of 'limited liability company', and was established in February 2013. This company has multiplied its turnover during its time of activity. The interesting fact concerning this company is that all the employees are solely women.

The company xyz, according to the statement of the CEO of the company, is being visited by its clients in order to increase their immunity, resistivity against stress or just to cure a cold. This curing centre has as per today registered as much as 1 200 clients that come to see the centre at least twice a year. These clients are mostly people from the higher salary range and they are thus expecting some kind of comfort and the professional treatment.

Because of the increasing number of clients and also pieces of equipment to perform the therapy and also the therapists, the centre management decided to adopt an electronic client booking and all the management of information concerning the performed therapies by using the CRM system.

According to the information from the interviews with the company's CEO, the company, after 2.5 years of using the Google calendar for reservations, decided to develop its own CRM system that should reflect their individual needs of the client evidence, specific information and data about performed therapies and all the adhering information.

The CRM company's system is accessible from the WEB interface and is located with an external system supplier. Due to the company's size, the CRM system is being used as a certain form of service that had been individually arranged for the specific use of this company. The company has paid a lump sum for the above mentioned arrangement and monthly pays the hosting price together with an overhead sum for system administration. The system users were trained by means of information presentation without a practical demonstration of the system.

## **The practical use of the system**

During observing the function of the system, there was found that the users are not using the present system fully. This often occur by **not filling-in all the lines and lack or missing information about the client**, or about the reason of client's visit. Due to that there are arising disinformation and waiting time during the therapy as neither the therapist nor the reception, that coordinate the client visit, does not reserve time enough for the respective therapy. The client is thus ordered for a shorter time compared to the time needed. It means that the next following therapy is being delayed what may have a negative influence on the client's mood and also on the number of waiting patients in the waiting area in the entrance hall. This situation has an influence on the reception desk that is overloaded by the clients and their complaints.

The reason to leave some lines not filled-in is – according to the discussion with the therapists – the necessary time spent for information record when ordering but also after performed therapy.

Only in this way we can maintain the substitutability of the individual therapists but also the possibility to check the process by the centre's manager that the chosen treatment is the right one for the certain, respective client.

Only in this way we can maintain the substitutability of the individual therapists but also the possibility to check the process by the centre's manager that the chosen treatment is the right one for the certain, respective client.

The next benefit that comes out from the proper filling in the boxes is the prevention of repeating of one certain therapy more times. The repeated therapy cannot have bad influence on one's health, but the client has to pay more money. The individual therapies are paid according to the time spent (minutes) with the specific equipment.

On the picture in the Attachment. No. 1 it can be seen the existing box to fill-in the therapy courses and the programmes, which is not being fully used by the therapists. The box lines are at the first sight quite uncertain and because of the allowed free filling-in there is no possibility of information filtering.

When scrutinizing the matter and inquiring during the observation there was found that the therapists do not have any added value (motivation) when filling-in these lines. This is simply the reason why they do not fill them in. They prefer to use a faster hand filled-in paper slip records from the therapy that are on the other hand not so easy to shelve them in archives. The CRM system enables to upload these records in files. The administrative demands, the size of scans and finally again the impossibility of filtering and full text searching would bring no benefit for the organisation, but some additional costs only. The cost would be originated by increasing volume of the system from the provider. The filtering is necessary item to check the adjusted, present therapy.

### **The proposed improvement of the system**

To improve the detected deficiency with information filling-in about the client, there was proposed a solution as described in the following subchapter.

As already mentioned, the therapist has got no motivation to fill-in the lines concerning therapy as he does not see any added value for him. The author of this seminar paper believes the solution is to create this added value and to propose in this way a renewal of the cooperative activity of the system. This means to choose 50 basic programmes that are already being used for other different problems of the patients. The therapist shall tick-off, either during the session or after, the used programme for the client and appliance. From the ticked-off programmes shall be after filling created a new PDF and it may be sent automatically directly to the client's mail-box or to print it out, if the client desires to have it. In this way the chosen steps may be filtered. Thanks to this filters, there shall be possible to make different analysis of the successibility of the individual programmes concerning the specific problem of a client.

The added value for the company's client shall be a clear list of the performed steps with its detailed description and, if desired, also some recommendations to adhere to after the therapy.

As indicated from the discussions with the therapists, this improvement may save considerably a lot of work with the client after the therapy as the mail and telephone conversation is quite frequent and especially very demanding. At the same the client gets his integral information. In this way it excludes a wrong understanding of the recommendation that are up to now presented in oral way only.

Following is the further proposed improvement of the system as based on the observation:

- automatically sent advise on therapy by means of SMS to the client 's mobile phone;
  - the SMS messages shall be sent 24 hours prior to the therapy beginning; because of client 's late arrival and the following delay of further therapies;
- commemorative window for the reception;
  - the receptionist does not catch up, in the scope of the daily job, the flow of the time. To improve this situation and for better job efficiency there was proposed a solution by means of kind of reminder. It shall be performed by means of springing window, that appears 15 minutes prior to the client 's visit together with a sound signal. The reception will be able to handle the client faster and more effectively.

In the scope of those proposed improvements there was also contacted external IT specialist of the xyz company to consult the proposals. Based on the consultation there was confirmed the possibility of the improvement and there was also created a calculation for it, which was presented to the company 's CEO.

## **Conclusion**

As already mentioned in the introduction of this paper, an information is a very important capital of the company. Thus it is not important only to process all the acquired data but it is also important to evaluate them. The observed company does not use, according to the findings, fully the capacity of the system. It means that there is not created detailed documentation with respect to the case medical history (anamnesis) of the respective client, that could support more effective use of the system.

From the acquired information, based on the semi-structured interviews with the users of this system, comes out that the users do not exploit the CRM – potential in a full manner. As a reason of this non-fully using was quoted - lack of time. When scrutinizing the matter deeper, there was, in contrary to this statement, found that the real reason of the non-filling in is the absence of the added value for the therapists. These people were in no way motivated to work with the system and they were using it just for reservation and ordering of patients.

As a solution of this problem there was recommended to create a new box that shall contain 50 basic therapeutic programmes. Thanks to that there shall be possible to filter the information and to create analyses for the programme use for the particular troubles and anamnesis. The added value of this improvement, not only for the therapists but also for the clients, is in fact a new property and innovation of having a form of a message containing the basic information about the performed therapy and also the recommendation to it. These shall be derived automatically by the system according to the ticked-off programmes and finally handed over to the customer after the therapy.

The proposed solutions were consulted with the external IT – specialist of the observed company and it was presented to the CEO of the company and also to the therapists who were pleased with this change.

The recommendations as stated in this paper, should be implemented into the company 's CRM system within two months. The part of the implementation should also be adequately checked by all the users. This check should pass through during the learning workshop and after this the improvement should be put into operation.

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**Annexes:**Annexe No. 1 Box to fill-in the performed therapeutic operations

Ošetření / Služby této návštěvy

Název:

Typ:

Programy/nastavení:

Detaily:

čas:

Uložit

Resource: CRM system of company xyz (2016)

Ed.: Translation of image: Ošetření - Treatment; Služby této návštěvy - Services of this visit;

Název terapie – Name of therapy; Typ - Type of therapy; Programy/nastavení – Programs/Settings; Detaily – Details

## 2.3 Fan sourcing model in e-commerce

### Ondřej Hindl

**Abstrakt:** Hlavním cílem této práce je zhodnocení výhod fan sourcing modelu k navýšení zisku. Jednotlivé dílčí cíle zhodnocují výhody používání tohoto modelu k navýšení spokojenosti zákazníků a zákaznické loajality tak jako zhodnocení výhod zavedení modelu fan sourcing z pohledu flexibilního zaměstnání. V práci budou použity výzkumné metody komparace, rešerše, polo-strukturovaný rozhovor a dedukce.

**Klíčová slova:** Fan sourcing, brand advocacy, conversion rate, zaměstnanost

**Abstract:** The primary goal of this thesis is to evaluate the benefits of the fan sourcing model to increase profit-revenue. Secondary goals are to evaluate the benefits of using fan sourcing to increase the customer service experience and customer loyalty, as well as the benefits of implementing the fan sourcing model to provide flexible employment opportunities for brand advocates. The research methods used in this paper will be comparing, background research, semi-structured interview and deduction.

**Key words:** Fan sourcing, brand advocacy, conversion rate, employment

### Introduction

Outsourcing to lower operational and labor costs or to assist a company in gaining access to new markets is neither a new concept nor groundbreaking entrepreneurship. However, outsourcing work to enthusiasts for a company's products who serve as a distributed workforce in order to ultimately increase revenue is a concept known as fan sourcing that has been gaining steam since Morgan Lynch, CEO of Needle Inc., founded his company in 2010 (Harvey, 2011, p.1). Fan sourcing enables a company to tap into a wealth of expertise about its company's products and to connect that expertise with online shoppers (Koritz, 2012, p.1). The main objective of this research paper is to evaluate the results of companies that choose to invest in fan sourcing as they relate to profit-revenue, while secondary and tertiary objectives are to evaluate the impact the fan sourcing model has on customer satisfaction, customer loyalty, and employment.

### Theoretical research

The theoretical research part of this work defines the terms brand advocate and explains how brand advocates fit into the fan sourcing model. It furthermore details why companies hire or outsource brand advocates to promote their brands and how customers are influenced by brand advocates. Additionally, this section defines conversion rate and Net Promoter Score (NPS) and seeks to explain how fan sourcing's goal is to improve both. Finally, flexible forms of employment are defined and highlighted to show how a company using the fan sourcing model hires teleworkers to accomplish its mission statement.

## **Hiring brand advocates to build brand loyalty**

Businesses and researchers invest heavily into pinpointing strategies to increase brand advocates, or those customers so motivated by good experiences with a brand and a desire to help others, that they promote and advocate for the brand, not to receive something in return such as discounts or free promotions, but because they truly believe in the brand and want others to experience it (Fugetta, 2012, p. 9). A company can profit greatly from building its brand advocacy base because of its great influence on new customers. Fugetta's (2012, p. 10) studies indicate that 9 out of 10 customers say comparing all different forms of advertising, they trust the most recommendations from friends and family members, or brand advocates, and only 2 out of 10 believe online advertisements. Another study confirms this theory, finding that 54% of consumers are influenced by peer reviews and social media recommendations when searching for items to purchase (Heywood, 2015, p. 6).

Companies that employ fan sourcing specifically aim to hire true brand advocates to speak to their customer base, mainly through guided shopping assistance (Koritz, 2012, p.1). The author further says Needle, the company that founded the fan sourcing model, recruits passionate fans of a brand (referred to as Needlers) and connects them with online shoppers to assist in making a purchase. Heywood (2015, p. 7) adds, retailers that hire Needle are essentially outsourcing their customer's experience to a third party, relying on brand advocates that typically have a wider experience than the employees of a particular company. Outsourcers have experience from working with numerous different brands concurrently and, therefore, relate to future customers on a deeper level (Heywood, 2015, p. 7).

Kevin Gao (Gao, 2013. p. 24), president and CEO of Comm100, a software developer and small business expert. Gao believes understanding the needs of online customers is crucial to providing them with the content, sales, and promotions they desire. Crucial to the efficacy of fan sourcing is to ensure the outsourced brand advocates provide customers with a positive customer service experience which directly reflects customer retention rates (Burt, 2016, p.1). Fan sourcing filled a niche capability that was previously rarely found in the online ecommerce world. Fan sourcing connected brand advocates to current online customers, harnessing the brand advocates' passion and excitement, enabling them to influence customers from "purchase to loyalty and even cost savings (Santos, 2014, p. 232)."

Burt (2016) claims that customer service interactions are almost four times more likely to lead to disloyalty than loyalty. Therefore, the positive customer service experience that the brand advocates deliver is absolutely critical to the success of the fan sourcing model.

## **Customer service experience and its relation to sales**

A genuinely positive customer service experience fosters brand loyalty and, as Santos (2014, p. 233) relates, that customer service is marketing. By delivering great customer service, a company encourages new customers and fosters loyalty (Santos, 2014, p. 233). Fugetta (2012, p. 11) adds that recommendations from advocates are the number one influencer for a purchase decision as well as brand perception.

Customer service in the ecommerce world brings unique challenges. The impersonal shopping experience leads to very low online conversion rates, which many e-commerce businesses simply accept, watching on average only two percent of their shoppers leave their site after making a purchase (Cason, 2015, p.1).

Saleh and Shukairy (2010, p. 10) explain conversion rates simply as the ratio of visitors exposed to the given campaign and visitors who take the desired action. The authors explain this definition encompasses all different types of media, but elaborated that ecommerce websites mirror their brick and mortar counterparts by offering the same products; a conversion happens when a customer places an online order. Saleh and Shukairy (2010, p. 16) report to improve conversion rates, a business must understand the customers it is trying to convert and how the customers interact with the website. The authors further explain the business must then invest the time, resources, and finances to make changes to the website and then track customer response in order to truly understand how to customers interact with the website.

The ecommerce fan sourcing model aims to improve conversion rates through connecting brand advocates with shoppers, enabling these brand enthusiasts to interact with the customer, offering suggestions and recommendations (Harvey, 2011, p.1). The customer can define his or her requirements, detailing out what he or she needs to the product to be able to do, as well as defining desired price points. The brand enthusiast can then help the customer connect a product that would best support the capability he or she is looking for with that desired price point (Cason, 2015, p.1). Additionally, the fan sourcing model goes one step further. It employs a brand advocate assisted shopping cart; the shopper receives recommendations directly into his or her online shopping cart thereby enabling the advocates to recommend to the customer exactly what he or she needs (Cason, 2015, p.1).

Fan sourcing also has the ability to improve a company's Net Promoter Score, or NPS, which serves as an indicator of growth (Net Promoter Network, 2016, p.1). The Net Promoter Network site explains if a given company has a higher NPS than its competitors, it will likely outperform the market and, therefore, if it manages its organization to improve the NPS, business performance will improve. "*How likely is it that you would recommend [brand] to a friend or colleague?*" is the only question one needs to calculate the NPS using a scale 0-10, the same source continues. The article continues more into detail and explains that responders with a score of 0-6 are classified as unhappy customers who could damage the company's brand through negative word of mouth. Furthermore, responders with score of 7-8 are satisfied, however, unenthusiastic and are susceptible to offers from competitive companies, while responders with a 9-10 score are loyal enthusiasts who will keep doing business while referring others and helping growth.

### **Fan sourcing promotes flexible forms of employment**

Companies that use the fan sourcing deploy the flexible employment model in the ecommerce world, enabling shoppers to connect with the brand experts by chat, which is launched by clicking on a banner or invitation on the company's ecommerce partner's site (Koritz, 2012, p.1). Without the requirement to be present in a brick and mortar store, companies are able to offer these brand experts a significantly different work environment, allowing alternate work arrangements such as teleworking and flextime (Hill, 2012, p. 867).

The Labor code of Czech Republic § 79, 262/2006 Sb. defines these alternate work arrangements, also known as flexible forms of employment, as all types of employment that are different than the standard full time job, consisting of 40 hours per week, established for an undefined period (Česká Republika, *Zákoník práce / Labor code, 2015*). There are significant advantages to flexible work arrangements and Armstrong (2006, p. 385) describes three such benefits: “*Flexibility to respond rapidly to fluctuations in demand, reduced overheads and lower employment costs*”.

Koubek (2011, p.227) adds to the list a benefit of preserving the knowledge and expertise of parents on paternity or maternity leave or those seeking to better balance work and family life while maximizing the time inside the home. Furthermore, he mentions the advantage of teleworking enables someone with a reduced working ability to be a productive member of society, engaging in an everyday life activity such as work. In the same paragraph, the author mentions teleworking enables a company to feasibly keep certain specialists on staff while not having enough work for a full time employee.

Koubek (2011, p. 277) lists among the few disadvantages belong more demanding organization of work and communication between employer and employee as well as among employees. Further the author highlights the demand on employer to obtain proper safety insurance for teleworking employee.

## **Methodology**

The main methodological techniques of this research paper are the following: comparing, background research, deduction and semi-structured interview.

The Comparing method was used in both parts of the article, the theoretical as well as the practical part. The focus was placed on background research of the subject in the available sources.

By using background research of selected publications, an understanding of the field was gained and this knowledge was applied in the theoretical part. Sources at the library of the university VSEM, as well as the Academy of Sciences Library in Prague were used. The main search engines utilized were Ebscohost, Gale Virtual Reference Library, Google books, ProQuest and Safari, with a focus on the newest sources available.

The practical part was based on deduction from academic magazine data, internal documents from Needle Company as well as a semi-structured interview with an advocate employed by the same company. The interview was transcribed and is in the appendix of this article.

The conclusion and follow-on recommendation were based on information gained in theoretical part, as well as research in the practical part.

## **Practical part – Presentation of research findings on Fan Sourcing**

Due to its infancy, there are limited sources available highlighting the successes or failures of the fan sourcing model. The majority of companies that outsource to a company to employ the fan sourcing model are in the United States. Research attempts were unable to determine if a Czech company currently outsources to a company using the fan sourcing

model or if a Czech company utilizes the fan sourcing model itself. The paper, therefore, focused the results on the company Needle, the founder of fan sourcing in 2010, and the American companies who hire Needle to deploy the fan sourcing model on their ecommerce sites.

Additionally, an attempt was made to reach out to companies Needle and LeisurePro in order to research specific statistics on companies that use the fan sourcing model, as well as to speak to a representative about the employees who advocate for brands. Both Needle and LeisurePro were unwilling to provide statistics outside of those provided in open sources. A brand advocate who currently works for Needle was located and a semi-structured interview was conducted.

### **Brand advocates**

In 2014, Needle commissioned Y2 Analytics to conduct a study of Brand Advocacy in the United States. Y2 Analytics used a population of approximately 2,000 employed active and potential advocates to answer questions relating to advocacy (Y2 Analytics, 2014). One of the main findings of this study found that active brand advocates value helping customers and sharing their passion as the top two most important motivators for doing online advocacy work, scoring above measures of compensation. The study went on to conclude that "there are advocates passionate about products and companies in nearly every consumer industry." These findings bode well for the fan sourcing model, indicating that a large pool of potential advocates exist for a particular product, and these brand advocates would be willing to share their experiences about that product, driven only by the passion to help others.

Companies such as Apple, Google and Harley Davidson have benefitted from tapping into the power of their brand advocates, realizing these advocates become living advertising space (Wragg, 2014, p.36). Wragg indicates that these advocates do not simply buy a product; their purchase marks the beginning of a journey to spread enthusiasm about a product through word of mouth or social media and potential customers do listen. The fan sourcing model taps into this living advertising space, hiring advocates for a relatively low wage to promote brands (Needle, 2016).

Needle specifically touts its use of advocates to counter the self-service technology "age of Amazon," claiming that online shoppers who interact with a brand advocate are nine times more likely to make a purchase (Needle, 2016, p. 11). Needle claims its fan sourcing model speaks for itself; when Needle enables advocates of a brand, the brand advocates increase NPS by 20%, drive incremental revenue -- 65-90% is net new, generate between 4-8x return on investment, increase conversion 6-15 times over self-service, increase average order value 15-30%, and drive customer satisfaction to a CSAT score of 9.3/10 (Needle, 2016, p. 11).

### **Customer service experience**

On March 31<sup>st</sup>, 2015, the home furnishings retailer, Living Spaces, announced that it had seen an increase in both online customer satisfaction and sales just two months after it had first deployed Needle's fan sourcing model on its web site (Heidersbach, 2015, p.1). Living Spaces, Heidersbach explained, chose to invest in an enhanced online chat experience, empowering brand advocates to provide customers with the ability to ask detailed questions similar to what a customer could ask in their brick and mortar stores. Previously, the author

expounded, the company had only hired a call center which was continuously being overwhelmed with people asking on the website.

Current clients of Needle are famous brands such as bebe, Newegg, LeisurePro, American Apparel, Coach New York, Norton by Symantec, Adorama, and Taylor Made (Needle, 2016, p.8). These brands claims are seeing dramatic improvements in their ecommerce site performance, in many instances doubling their Return of Investment (ROI) through increased conversion rates, better customer retention, and improved Net Promoter Scores (Koritz, 2012, p.1). Specifically, Koritz explains that Needle's clients each have NPS scores higher than 72 percent, 25 percent higher than the industry average.

In On March 21<sup>st</sup>, 2012, Skullcandy Inc., an audio equipment company, and Needle announced the results of their two year partnership. They presented three major findings (Moon, 2012, p.1):

- *"Since implementing Needle's unique social chat platform and its 'fan sourced' labor model, Skullcandy's online chat program has enjoyed a 20-30 percent conversion each month.*
- *Skullcandy has achieved a Net Promoter Score of 74.8 percent - in the top 5 percent of all companies worldwide*
- *For about the same cost as employing three service representatives annually, Skullcandy saw work output equivalent to 15 service representatives."*

Newegg, an electronics online retailer, chose to utilize the fan sourcing model to activate its tech-savvy advocates and improve the shopping experience for its customers (Ellett, 2015, p.1). Newegg saw immediate results of providing its customers with a forum to ask questions where brand experts can offer suggestions and solutions. Ellet explains that the conversion rate immediately improved from 2-3% to 10%, Newegg achieved a 182% ROI, and saw a 12% raise in customer satisfaction and an NPS improvement to the double digits.

## **Employment**

All attempts to find any significant research material about employee satisfaction failed. One semi-structured interview with a brand advocate employed by Needle was conducted, as well as information about Needle employment at Indeed.com and Glassdoor.com servers was used. Indeed (2016) shows overall score of employment satisfaction of four out of five, which is supported by answers in the interview with Needle's brand advocate about the low employment turnover.

The semi-structured interview with the advocate highlighted disadvantages concerning communication issues between Needle and advocates, as well as the lack of certain benefits like vacation days. Information on both servers Indeed (2016) and Glassdoor (2016) agree with the communication issue and add to the list of disadvantages being paid by chats and not by an hour. Accordingly to the interview it is different for which company given advocate works, as some pay by an hour.

## Conclusions and recommendation

The fan sourcing model deployed in the ecommerce world appears to provide a significant ROI, improving a company's NPS, CSAT, AOV, and conversion rate. Fan sourcing additionally is able to harness the enthusiasm of brand advocates willing to share their knowledge and passion of a brand, many of whom are simply motivated initially by their desire to help others based on their positive experiences. Finally, the fan sourcing model provides brand advocates with teleworking with flextime employment opportunities, while promoting a brand they love and assisting customers by providing suggestions and recommendations to make good purchases.

The recommendation is to conduct a study in the Czech Republic to determine if the fan sourcing model would be a profitable model for Czech companies that have an online presence and who are aiming to increase their NPS, CSAT, AOV, and conversion rate. Additionally, the study would need to encompass the determination if adequate brand advocates exist that would be willing to be hired in such a teleworking role.

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## **Appendix 1 Semi-structured interview with a brand advocate at Needle**

Question 1: „ How long were you a Needle’s brand advocate for“?

Answer: I have been needling since 2014.

Question 2: „How does Needle find and hire brand advocates to chat for a company“?

Answer: They have different procedures for each company.

Question 3: „What is the turnover rate of Needlers“?

Answer: I do not have exact information, but in the time I have been with Needle, over 2 years, nobody left the team.

Question 4: „What do you like the most about the flexible employment“?

Answer: I can travel whenever and live wherever in the world I want and still be able to work as long as I had a fast internet connection.

Question 5: „Does a Needler have the flexibility to pick his or her schedule / hours“?

Answer: Yes, three weeks in advance the schedule opens. I can choose between 0-20 hours a week, but again being advocate for each company is different. We can cancel as late as 3 hours before the scheduled time.

Question 6: „What times could you work“?

Answer: I can work any time as there are customers from all around the world. So sometimes it can be 3 am where you are, but there are people shopping few time zones away.

Question 7: „Are advocates paid by hour“?

Answer: It depends on the brand you represent. Some are paid by chat, some by hour. But mainly we all do it for the love of the brand we advocate for or the hobby associated with it.

Question 8: „Are there any other benefits on top of the salary“?

Answer: Yes, we gain points which we can use in the online store we advocate for. However there are no benefits in manner of vacation or retirement.

Question 9: „Are there any disadvantages of this job“?

Answer: Communication can be sometimes slower than needed between the company and us.

Question 10: „How do you communicate“?

Answer: We used to use Glasscubes.com server, now we mainly use Facebook and emails.

## 2.4 Online learning

**Daniela Hondlíková**

**Abstrakt:** Hlavním cílem této práce je představení nové techniky učení a jejího následného využití v praxi na reálných příkladech. Dalším cílem je zjistit situaci v České republice v rámci on-line vzdělávání. Primární metodou týkající se on-line vzdělávání je výzkum a shromažďování souvisejících informací z různých zdrojů, jakými jsou zejména akademická literatura a internet. Na základě těchto informací stanoven konečný závěr.

**Klíčová slova:** On-line vzdělávání; e-learning; dálkové studium

**Abstract:** The main objective of this work is to introduce new learning techniques and their practical applications to real-world examples. Another objective is to determine the situation in the Czech Republic in the context of online education. The prime method used regarding online learning was research and collection of related information from various sources such as academic literature and the internet, this information providing the basis of the final conclusion.

**Keywords:** online learning; e-learning; distance learning;

### Introduction

The advent of new technologies and the internet is changing the current form of school education. Students can take their courses at any time and from anywhere. The trend of today is the study on peace, when you can choose courses according to the specific needs. There is no need to be physically in the classroom, nor face to face with teacher. However there is a question about whether this is the right path for future study. Can this new method of learning substitute, or even replace the traditional form of education? Will the educational institutions, often stagnated, have to adapt to the new phenomenon, if they wish to keep their prestige? Perhaps we will find out the answers to those questions in the future.

There is variety of different terms within the new field of distance education such as distance learning, e-learning, online learning, virtual education, blended learning, flexible learning, etc. One of the goals of this article is to explain the key differences between some of the terms. Another aim is to explore the situation of online learning in the Czech Republic and introduce institutions and companies that are doing business through online education.

## **Theoretical part**

The theoretical part will introduce the online learning definitions and explain the differences of meaning between distance learning, online learning, e-learning and blended learning.

### **Definition of online learning**

There is no generic definition of online learning according to many authors. For example Wright (2015, p. 3) describes online learning as: *"instructional format that is mediated by some form of technology, typically the internet, and is characterized by geographical and, sometimes, temporal separation between instructor and student."* Another definition from Dziuban et al. (2016, p. 5) which helps to explain the meaning of online learning says that: *"Online" generally refers to a digital data communications network, the internet and its smaller private cousins, intranets, being primary examples. Online learning in its simplest and most popular definition refers to any instruction delivered over a digital communications network.* These authors also following the concept of having at least 80% of face-to-face learning replaced by online activity. One of the older definitions of online learning represented by Saul (2004, p. 1) is very simple: *"refers to learning and other supportive resources that are available through a computer."*

All of these definitions have one common element which is that of the internet connection and the technologies associated with it.

### **Distance learning, online learning, e-learning and blended learning**

There are more different terms associated within online education. It often happens that people get confused with the right meaning of those terms and having different understanding. Therefore part of this work is to provide explanations of the main terms such as distance learning, online learning, e-learning and blended learning.

#### **Distance learning**

Distance learning, also known as distance education, has a long history that started according to e-Learning Fundamentals (2015) with correspondence between teacher and students using mail containing homework that should be completed and then sent back to the teacher. As Dziuban et al. (2016, p. 5) describing, this kind of learning uses various instructional technologies such as paper manuals, radio, televised courses and videotapes, that don't need any internet technology. Another explanation of distance learning definition is provided by Pop (2016), who is the Web Content Manager for Study Portals: *"Distance learning is learning disassociated from time and/or distance such that the learner does not share the same situation with what is being learned. It is a mode of study that allows the learner to study most or all of a course without attending a campus-based institution."*

Those definitions shows that for distance learning it isn't necessary to have some kind of online technologies, and it is only a matter of different time or distance between teacher and student.

#### **Online learning**

The definition of online learning has already been described in previous chapter 2.1. However one more description of this term from Pop (2016), described on internet site

distancelearningportal, can be included as well for its clear statement: "A term describing learning that takes place online and thus requires connection to the Internet."

### **E-learning**

E-learning gets often mixed up with online learning but there is a difference between them. Online learning is using internet connection; however e-learning is using wider range of ICT technologies. One of the definitions from Pop (2016) says: "E-Learning refers to the appropriate use of ICT to enhance the learning - and can thus take place on campus or in any other context." This definition can be added with the following represented by e-Learning Fundamentals (2015): "The delivery of formal and informal learning and training activities, processes, communities and events via the help of all electronic media like Internet, intranet, extranet, CD-ROM, video tape, DVD, TV, cell phones, personal organizers et cetera."

### **Blended learning**

The definition from Dziuban et al. (2016, p. 6) says: "Blended learning is not one thing but comes in many different flavours, styles, and applications. It means different things to different people. The word "blended" implies a mixture more so than simply combination of components". Another explanation of this term comes from Pop (2016) as a very clear statement which is well understood: "A mix of e-learning with traditional teaching and learning practices. Typically there is a combination of face-to-face interaction with online learning."

### **Goals and methods**

The main goal of this article is to introduce the new learning technique, its terminology, utilisation in the Czech Republic, and to subsequently imagine its use in practice in real examples. The prime method that was used in this work was mainly the research and collection of information related to this topic, from various different sources, before arriving at a conclusion.

### **Practical part**

Online learning is developing very fast and is used more and more within the academic institutions as well as companies or private sector. This new way of learning using online technologies was found very useful in terms of time and place flexibility, a greater range of people associated with, low cost and lot of other benefits that this method brings. As the overall setup and introduction of new training courses is not so difficult and expensive, this trend has expanded greatly in recent years, allowing cooperation between organizations around the world.

### **Business in the field of online learning**

Online learning has also become a source of business for some institutions and companies. Companies specialized in the field of online learning started to design courses upon customer inquiry offering solutions for them on demand. Together with the preparation of tailored courses, they are also offering courses that have already been on the market, and

customers / students can choose from the possibility of different subjects for individually tailored courses.

Let's take some real examples of such companies and institutions to see what sort of learning options they offer. One of the largest companies that was at the very birth of online training is called Blackboard (2016). Blackboard is an American company based in Washington, DC but these days has representation in more countries around the world. Blackboard is offering complex learning solution for other companies or individuals that need help with setting up their own learning software and programs. This company is also providing the licenses and certifications, tailored deployment plans, consultancy, organizing web conferences, workshops, online courses or even classroom courses. With help of the new technologies the learners can also participate anywhere with mobile access. The overall range of the services and technology they provide is very large as it has been built over many years and therefore could be also very useful for other companies which are already running similar business or are just about to start, to take a good example of what could be considered and included. The individual courses from Blackboard can be bought through an e-shop that is also presented on their internet site with all relevant information such as course dates and duration, prices, location, description of the courses etc. The prices of the courses are not cheap, however to obtain higher education and learn something new is still the best lifetime investment.

Another example of an institution providing online learning is taken from the academic environment. The school is based in U.K. and is called London School of Business and Finance (2016). This school offers education to students who can't attend a campus through an interactive online platform. This online platform is used especially for lecture recordings, discussion forums, comprehensive study materials and online global live tuition. This school is private institution and therefore the courses there are not free but they can be part of graduate programs or just taken individually depending on the individual needs of a future career. However like any other private school also this one offers also financial support such as a scholarship or bursary, a loan from EU student finance, a loan or scholarship from a student's home country etc.

The last example is going to be from the Czech environment representing two different companies that also do business by providing online learning solutions. The first one is called PC Help e-learning (2013) and was founded in 1990. The first intention of this company was to provide professional support and assistance to users of personal computers (hence the company name). Ten years later the company has started to offer the development and implementation of complex enterprise information systems from other manufacturers, and began to focus more on the service and delivery of customer solutions. The product portfolio of PC HELP, however, has also now firm place special applications developed to measure, either for governance or for corporate clients. One of the main products that PC HELP deliver is also the introduction of e-learning and its integration into internal processes. The second company called Kontis (2015) started in 1994 in the Czech market providing comprehensive products and services for custom software development and e-learning as well as consulting and help within this field.

### **Online learning in Czech Republic**

The Czech Republic is still at the very beginning in acceptance and use of online learning. In Western countries, online training is already heavily developed, but in the Czech Republic this trend is developing only very slowly. According to an author Rychlík (2015), who wrote

an article in Lidovky.cz, it is due to title mania and the approach to education where the title is more valuable than the knowledge. Rychlík also states that some of the faculties of education seem to underestimate the importance and potential of online education as they don't even advertise it. The MOOC or the massive open on-line course is an education phenomenon since August 2011 at Stanford University. *"The main objective of MOOC is improving access to quality education,"* says Harvard analysis as written by Rychlík (2015).

Zoom.cz is representing some of the citation such as from Johannes from the American university at Stanford that stated: *"Model of stone school such as teacher-class is unsustainable due to a combination of economic, social and technological trends."* At zoom portal is also a comprehensive overview of current projects dealing with online trainings:

#### **Foreign projects:**

- Lynda.com (LinkedIn)
- EDX - Free online courses from the world's best universities
- Courser - Free Online Courses From Top Universities

#### **Czech projects:**

- Seduo.cz (LMC)
- I know more (5DM)
- Professional courses / MOOC (University of Economics and Management)
- Khan's College (Czech mutation of a global project Khanacademy.org)

Education via the Internet in the world of business is spinning a lot of money. The attractiveness of this world sector has been demonstrated by the first big transaction. According to Novák (2015), the editor of E15 magazine, a giant acquisition was made by the social networks LinkedIn, which bought the educational project Lynda.com for 1.5 billion dollars. On the site of E15 (2015) portal could be also found an interesting conversation with Hardyn who is the co-owner of a marketing company 5DM, which runs the educational project Vímvíc.cz, in which he is answering questions regarding his project and the way he is planning to run it. Another interesting conversation can be found on eduin.cz portal with the coordinator of Seduo.cz Dalecký (2015). Dalecký says: *"The more graduates will boasts with certificates, the greater value they will have"*.

The Ministry of Education did not respond to questions about working in the field of online education. A powerful advocate of such teaching has been the state secretary Fryč (2013 - 2016). He sent an open letter to the directors of secondary schools to urge the schools, to acquaint their students with these options. The letter is represented on MŠMT site and is worth reading.

#### **Online learning on VŠEM**

The College of Economics and Management VŠEM (2016) was the first college in the Czech Republic to started using MOOC as part of learning system and is offering their students the comprehensive structure of MOOC courses. Graduates of the professional course will receive a certificate of course completion. The MOOC courses within VŠEM have the advantage of studying according to individual abilities, interests and time availability. Students can benefit during their studies on VŠEM, for example e-texts, video learning, video forum especially in the areas of marketing and PR, from management and economic subjects to accounting.

Kartous (2014) who is the publisher, editor in chief of the magazine Perpetuum and at the same time lecturer on VŠEM gave an interview to Reflex magazine. He states that on most of the Czech universities still do not know what the acronym MOOC actually means. Kortous (2014) says: *"VŠEM is probably the first in the country who understands that MOC are integral to the future of higher education. Today, especially in the US, which is in terms of the criteria under "performance" of higher education, the global leader, there is an extensive menu of open online courses."* One of the main advantages that he describes is that students can choose the best teachers of the world, they can swop between learning in U.S., Europe or Asia and they can also compile subjects entirely according to their interests and to what just needs to be learned. Another article regarding MOOC courses on VŠEM came from Novinky.cz (2014), where the Vice-Rector for Education and Research and lecturer on VŠEM Lucie Vnoučková says: *"In many fields isn't nowadays so important, if you have a degree from college. The today's trend is the study of peace, when you yourself choose courses according to their specific needs."*

## **Conclusion**

These days there is an option to study within global education system. The students can do exactly the same as the traditional form of education offers such as listening to lectures, reading theory books, having discussions and conversations with teachers and other students, taking an exam, etc. However this new method of online learning brings the ability to study at any time and in any place that is convenient to the student. This is very helpful especially for working people or the women on maternity leave. The new way of learning, using online technology, gives the students a high level of flexibility within the study. They can also choose to study with the institution in a different country or to chat with teachers and students all around the world. The study itself can be customized according to students' needs and interest, without need to study subjects that are not relevant. Also teachers can benefit from it by exploring the way a particular subject is taught in other institutions such as Harvard University for example. They can learn something new or on the other hand share their own opinions etc.

All those benefits of online education bring more freedom, joy and expand the horizons beyond our borders. However there is a question mark as to whether this new form of online education has the same quality as the traditional way of learning. There is probably bit of truth on both sides. It's definitely worth to trying and then making a decision whether to include this learning style within one's own studies or not. Some opponents of this method say it's missing the face to face contact, or the study is easier and the outcome doesn't correspond with the respective colleges. This also demonstrates the fact that the Czech Republic is progressing very slowly with the adaption to the new online learning system. One of the reasons could be the custom of gathering the title rather than qualification as this isn't so respected by the future employers. Another could be the Czech distrust towards new learning techniques especially at the most prestigious Czech universities, or by the bureaucracy of the Czech system. Under consideration should be also covered the fact that not all of the different fields and subjects can be actually taught through distance learning. For example there are many which require laboratory tests, measurements, practical demonstration etc.

It will be seen over the time if online learning really has the potential to extend and enhance the current methods of learning. At the moment we can only analyse the advantages and disadvantages, learn from experience and see what it actually brings into educational world, hoping for positive results.

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## 2.5 Digital disruption with Google for Work

### Jindřich Jíra

**Abstrakt:** Cílem práce je získat a interpretovat čtenáři hlavní výhody a možnosti Google řešení pro firmy, s většinou dostupných možností. To vše v souvislosti s trendem digitálně narušené reality (z anglického názvu „digital disruption“), kdy nové technologie ve spojení s nízkou cenou umožňují agilním firmám dosáhnout velkého úspěchu a prakticky digitálně narušit zažitou realitu na trhu. Výzkumnou metodou je rozbor dat a informací vzniklých sběrem a jejich následná interpretace. Vzhledem k tomu, že se jedná o téma velmi nové a aktuální, jsou využité zdroje dat a informací internetové, zejména zahraniční.

**Klíčová slova:** Digital disruption, digitální inovace, spolupráce, google for work, google apps for work

**Abstract:** The research methods applied include data collection, data parsing and interpretation. As the topic is new and highly relevant, the data sources used are internet-based, and mostly foreign. The research results and data interpretation show that Google offers immense possibilities and a wide range of services for work environments. Using those may represent a great benefit for any company, bringing great advantages against competitors; especially in terms of accessibility, management, cost and primarily, a change in work style and co-operation.

**Keywords:** digital disruption, digital innovation, collaboration, google for work, google apps for work

### Introduction

According to Forbes (2016), Google is one of the 3 most valuable brands in the world. It's the most popular employer worldwide, and not only in the Czech Republic, according to Universum (2016). It offers a wide range of services, products and applications, used by billions of people around the world every day. The fastest developing product is the office package called Google Apps for Work, which is used by over 5 million enterprises worldwide. What makes this product so revolutionary? Is it the new and innovative changes it brings within the digital disruption trend, whose impact on the worldwide market is apparently very strong? *Digital disruption will be explained below.* The author, who works as the Marketing Lead at the only Google Premier Partner in the CEE region, will try to answer these questions. Thanks to his position, he has insight into the very heart of product development. The aim of the thesis is to summarize and interpret data regarding Google for Work and the usability of Google solutions in light of the digital disruption trend, with new technologies in combination with their relatively low cost allowing agile companies to achieve great success by changing the heretofore ingrained reality of the market in a digital way. The research method applied is collection, parsing and interpretation of data and other material. The choice of sources, which are largely foreign, exclusively internet-based, and mostly less than a year old, shows the relevance of Google services and digital disruption. In view of the limited extent of this thesis, especially in terms of the practical research part, and because of the confidential nature of some of the data available to the author, this work

uses mainly publicly available sources and materials. These will, however, be summarized so as to offer a clear and complete picture of Google Apps and all its associated services or extensions.

### **Theoretical part**

Google Company (2016), probably owing to the increasing popularity of its e-mail client and calendar, introduced Google Apps Premier Edition in 2006. This application together with Gmail and Calendar equips companies with cloud services. As source mentions, since that moment, Google has been ceaselessly improving and extending functionalities and adding programs (e. g. the acquisition of Writely company and extension with Documents and Tables) within the package, which are being used by more than 5 million enterprises at the moment and which is officially called Google Apps for Work (as a part of Google for Work). It completely replaces office programs and solutions.

### **Google Apps for Work now**

Google (2016) states that the work package itself consists of several main programs these days. The most famous is probably the e-mail client Gmail, or perhaps its possible future successor, Inbox.

At first glance, there is no difference between work e-mail and private Gmail. Chaining e-mails into conversations as well as the brilliant search algorithm is the same for the paid and unpaid versions. The main difference is that the paid version (the business version) offers the possibility to use domain e-mail (e. g. name@domain.cz), the mailbox is bigger and there are no advertisements. As the source further states, e-mail is directly connected to Calendar and Contacts. One of the very useful features of Calendar is the possibility of sharing calendars among team members. Users can very easily find out who has time when, thus they can plan meetings in a very efficient way. The Keep application proves to be a very useful tool for organizing notes and TO-DO lists. It is also connected to Calendar via reminders set for specific times. The source states further that work is also facilitated by Google Docs (text editor), Sheets (table editor), Slides (presentation editor), and Drawings (picture editor). All these tools are fully compatible with MS Office, allowing you to open and edit Microsoft files in them, and afterwards to save them in a Microsoft format again. The source also mentions that the user saves all documents and files on Google Drive. This storage is equipped with the same locator as Gmail, and it is again not very different from the storage which users have in their private Gmail. Google (2016) also presents Hangouts, another service designed for communication. It serves as a chat application, but also as video conversation application, where up to 25 people can participate simultaneously. Thanks to the latest functionality upgrade, this service is available even to users without a Google account. As the source states, this whole system is managed in one spot from the central administrator's console, whereby the administrator can control individual authorization and access, manage access for mobile equipment, etc. Nevertheless, the system is very simple and intuitive, so that the management itself, including opening new accounts and cancelling non-active ones, is fully doable even for a person without extensive IT knowledge or experience. What is important to say is that the administrator can work with authorizations and management, but he does not have access to users' mailboxes or files. Thanks to that, there is no risk of covert cyber mischief. One huge advantage of Google Apps for Work lies, as the source says, in its full support across all platforms and operation systems. That means that the user is not limited by whether his computer is or isn't

equipped with Windows, MAC, Chrome, Linux or other operating systems. He doesn't have to worry about having or not having an iPhone or an Android telephone. The applications and work within them function just as reliably in any environment.

## **Extensions**

Google (2016) states that they are also developing their own device with the Chromeoperating system. This very simple, fast and efficient system is the equivalent of Windows or MAC OS environments. As Sean Hollister (2015) says, its advantage is automatic updates and the fact that the system is completely maintenance-free, plus the absence of the risk of viruses. According to Google (2016), the device is more than suitable for work, as all the data is in secure cloud storage. That way, if an employee damages or loses the device or it gets stolen, the administrator erases the work remotely and the employee can immediately continue work on a replacement device.

The smallest device with Chrome OS, as ASUS (2016) says, is Chromebit. The source says that enterprises can, thanks to that, create digital advertisements or self-service kiosks in a very simple and inexpensive way.

Rajen Sheth (2015) says that over a billion people worldwide use mobile phones with an Android operating system. That's why, as the source says, a business version of Android has been introduced. There is a separation of work and private profiles within the telephone, the employee having his own phone and company applications being added to it. These are encoded and separated from the rest of the contents of the phone. From this it follows that in this model of cooperation, the company saves costs, and may provide the employee with a contribution to a phone according to his preference. The employee can be using only one phone, one that he is used to. As the Android website (2016) states, the data is fully protected and can be removed from the phone remotely at any time.

Another important extension is Google Cloud Platform. This service, as Google (2016) informs us, allows the end users to employ the Google technology and infrastructure for their own business activities. The source adds that product-wise, it is a cloud solution, which contains computing services, storage, networking, big data, machine learning, operations and tools. That implies immense possibilities of use and great potential. According to the source, companies can fully host their applications, websites or complicated company systems with Google. All of these hosted in a scalable way and in the cloud, without the risk of system collapse when overloaded because of a high number of requests or accesses. The source mentions that even possibilities of creating applications and systems are opening directly in the Google framework. Other important possibilities include using robotic learning for the customers' own projects, Google Translator technology, voice orders and the ever-popular searching. The author's opinion is that Google Apps for Work is probably the most influential recent Google product, and its significance and use is going to skyrocket in the next months and years. It's partly due to the IoT trend which, as GoldmanSachs (2016) mentions, is opening immense possibilities for companies, governments and consumers.

## **Digital disruption, digital transformation**

IMD (2016) defines digital disruption as *"The effect of digital technologies and business models on a company's current value proposition, and its resulting market position."* Tom Goodwin (2015) highlights that the biggest ride service, Uber, does not own a single car, that the biggest internet store in the world, Alibaba, has no warehouse, nor does the biggest accommodation provider, Airbnb, own any hotels. Less than a year old IMD research (2015)

says that 25% companies are aware of and are proactive with regard to the importance of digital disruption in progress. A third are waiting to see what happens, while the rest don't realize it or are not doing anything about it. As it is further stated, in the light of this, it is surprising that the respondents believe, that 4 out of 10 enterprises will be pushed out of the market due to digital disruption. Dawson, Hirt and Webb (2016) say that "*responding to digital disruption isn't about creating a list of digitization priorities; it's about identifying where you are vulnerable and where you can create value.*" According to the author, all this information is directly related to the possibilities opened for us by the Internet, but at the same time, it also relates to the technological possibilities, which gave us new options for work, cooperation and globalization. And that's where, the author believes, Google Apps for Work definitely belongs. Thus the right question for Czech companies who want to stay on top should be not "Is this suitable for me?", but rather "When do I make the changes inside my organization in order to confront the upcoming changes on the global market, which are through strong globalization influencing every country?"

### **Practical part**

Netmail (2016) says that in the Czech Republic, several thousand companies are currently using Google Apps for Work. The only enterprise in Central and Eastern Europe with the prestigious status of Google for Work Premier Partner is Netmail s.r.o. Only about 20 partners of Google worldwide can pride themselves with this status. Among the most prominent clients and companies using Google Apps in the Czech Republic, the source mentions Česká spořitelna, Kofola, Annonce, Copy General, Forbes, Economia, Lactalis, Veolia or H1.

### **Forrester research**

The advantages themselves, such as collaboration or mobility impact, are very general terms, whose real impact or influence is not directly evident. This is why Google asked Forrester to work out an independent study quantifying the amounts saved by companies who decide to replace the existing legacy on premise infrastructure with Google's services. McCormic and Lau (2015) describe a model case of a company with 10,000 employees using Google Apps for Work over 3 years. The exact volume of savings may differ depending on the size of the enterprise. Some of the results of the parsing, however, should be common for all enterprises, regardless of their size.

The author thinks that one of the statistics applicable to all enterprises, regardless of their size, is that thanks to collaboration tools and instant access every employee saves up to 2 hours per week. This represents 13 working days per year and represents very significant savings. Another interesting piece of information brought by the source is ROI (Revenue on Investment) 304%: the Forrester study says that each dollar spent on Google Apps for Work brings to the company 3 times that amount.

For larger companies, it is very interesting to look at the total quantification of how much the company saves per employee. The source divides the benefit per employee of 1,708 USD into 801 USD as collaboration benefits, 537 USD as mobility benefits, 320 USD as legacy telephone savings and 50 USD as IT savings.

The author believes that in this case we have especially to take into account the size of the company. On the other hand, as we saw above, it follows that the crucial benefits are not physical savings. In other words, it is not that a company who used to pay a given amount for the existing solutions, is now only going to pay a fraction of that amount. (We know that IT savings only represent less than 4% of the whole benefit per employee.) The most

important and perhaps overlooked factor is the time expenditure, or time savings with the new work style allowed by this technology. The author illustrates this with collaboration benefits and mobility benefits examples from his own experience.

Within collaboration benefits we can very simply imagine the traditional way in which the user creates a document, saves it, attaches it to an e-mail, and sends it. The other party checks the document, edits it, saves it again and sends it back to the sender. The whole process is repeated. To accelerate it, a phone call can be made. On the other hand, the modern way, allowed by tools like Google Apps for Work, is that the user opens the document, shares it with the other party, and starts working on it. The other party can see in real time, what the user is writing, and can react very flexibly and directly by editing the text, comments or notes. If something isn't clear, both parties can communicate very quickly over chat or they can do a short brainstorming using a video call. As for mobility benefits, it's evident that the difference here is remarkable - thanks to tools like Google Apps for Work you can work anywhere, anytime and with any device. Humans are not becoming slaves to technology. On the contrary, they are using it effectively, according to their own judgement, and in ways convenient for them.

### **Near future**

The author thinks that in the near future, Google support will be increasing, for greater expansion of the service, while adding new functions to the structure.

The biggest and perhaps the only important competitor in this area, Microsoft, is currently developing its own product, Office 365, which means that Google is highly likely to keep developing its product very actively.

The comparison of these two competing products, for example the informal Wall Street Journal report (Youtube, 2015), which shows that in the 10 years of Apps for Work's existence, Google managed to bypass Microsoft and get to the very top in the category of cloud office products.

The next step, according to the author, will be interconnecting the individual Google services into one package more intensively. This will mainly concern cloud services, into which Google is investing massively and which are rightfully considered some of the best ones in the world. This is evidenced by the fact that even a giant like Apple has started using Google Cloud, Hook and Bradshaw (2016) say, and thousands of worldwide companies, such as Spotify (Harteau, 2016), have done the same.

### **Conclusion**

The thesis shows that the advantages of Google for Work solutions are very desirable for companies. As companies are aware of the rising trend of digital disruption, they should start actively focusing on the topic. Google for Work with all its possibilities presented in the thesis makes this much easier.

As the thesis as well as the sources suggest, it is a very timely activity, and the focus of top experts worldwide.

It follows from the presented parsing that using Google products is a great benefit to companies, and that it represents an essential step towards an overall change in the company and its shift into the modern digital world.

The thesis shows that the aim of Google's activities is to bring to the masses the advantage of their own technology, an innovative style of working, with maximum quality and security, very simple and transparent price policy and without complicated scaling, directly including all the functionalities available in the basic version. The fact that Google is fully aware of

the necessity of education and extension of knowledge, experience and work with Google Apps for Work, is evidenced by the fact, that Google offers this package to all educational institutions, universities, schools and non-profit organizations completely free

## Resources

### Internet resources

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## 2.6 Mass customization trend: definition, historical development and practical application.

**Yulia Kolesnikova**

**Abstrakt:** Identifikovat základní atributy čtyř typů masové kustomizace v konkrétních příkladech z praxe a ilustrovat tak životaschopnost této podnikové strategie. Byly použity sekundární zdroje, k dispozici online a offline. Na základě toho, byla provedena literární rešerše. Informace byla převzata z článků v akademických časopisech nebo v knihách, a z oficiálních webových stránek vybraných společností. Čtyři případové studie jsou zobrazeny za účelem lepšího pochopení konceptu a jeho proveditelnosti. Příklady jsou převzaty z různých oborů podnikání: móda, jídlo, technologie a služby.

**Klíčová slova:** masová kustomizace , spotřebitel, masová produkce, byznys strategie, marketing

**Abstract:** Identify major attributes of four types of mass customization on concrete examples taken from practice and in this fashion to illustrate viability of this business strategy. The secondary sources , available onlie and offline were used. On that basis a literature research was conducted. The information was taken either from articles in academic journals or books, or official webpages of the selected companies. Four case studies are displayed for the purpose of better understanding the concept and its feasibility. The examples taken from different business fields: fashion, food, technologies and services. It is done to highlight the flexibility and diversity of the method's application.

**Key words:** mass customization, consumer, mass production, business strategy, marketing

### Introduction

21<sup>st</sup> century opened for humanity a wide spectrum of possibilities, due to a big leap forward in the area of IT and computers; at the moment, developing so fast, and yet leaving a vast space for imagination. But, today's ever-changing world brings with it, a challenging environment, where smaller and bigger businesses have to compete not only with each other, but also they have to deal with the political, economic and social surroundings.

And what qualifies a successful businessman or a prosperous company, if not an ability to foresee the changes, a willingness to accept them, and a quick reaction and adaptation to the new environment. Mass customization concept, developed on the verge of the new millennium, is a response to these changes happening now.

One of the greatest issues for businesses has always been understanding consumer needs and finding the best way to satisfy them. Which requires a group of specialists, long-term researches and high costs to identify the needs of the masses, and despite obtained results, no guaranty that they do not contradict with the reality. Instead of that, mass customization approach offers the consumers and the businesses higher flexibility, not really asking what do they want, but offering them freedom to create a product that they dream for. This business concept is finding a trade off between this two polarities.

**Theoretical part**

The changes in the world are happening two ways; either revolution or reformation. Mass customization (MC) is a phenomenon that had outgrown into “The Custom Revolution” Flynn (2012). On that basis, it might be of high importance to understand the fundamentals of the MC concept.

**Mass Customization definition**

Mass customization, being an oxymoron, although unites two contradictive ideas: mass production and customization Abdelkafi, Friedrich (2006). Mass production is manufacturing standardized products for homogeneous markets, on a large scale, with the lowest possible costs Investopedia (2010) and Pine (1999). On the contrary, customization responds to individual customer’s desires and preferences, taking into account heterogeneity of the market. Following table is a framework offered by Pine (1999), it is a comparison of these two methods.

Table 1 Mass production versus Mass Customization

	Mass Production	Mass Customization
Focus	Efficiency through stability and control	Variety and customization through flexibility and quick responsiveness
Goal	Developing, producing, marketing, and delivering goods and services at prices low enough that nearly everyone can afford them	Developing, producing, marketing, and delivering affordable goods and services with enough variety and customization that nearly everyone finds exactly what they want
Key Features	<ul style="list-style-type: none"> <li>• Stable demand</li> <li>• Large, homogeneous markets</li> <li>• Low-cost, consistent quality, standardized goods and services</li> <li>• Long product development cycles</li> <li>• Long product life cycles</li> </ul>	<ul style="list-style-type: none"> <li>• Fragmented demand</li> <li>• Heterogeneous niches</li> <li>• Low-cost, high-quality, customized goods and services</li> <li>• Short product development cycles</li> <li>• Short product life cycles</li> </ul>

Source: Pine (1999)

Davis (1978) in his book “Future Perfect” was the one who coined the term of “mass customization”. It is a vast concept that comprises changes that may be applied to different production stages. Taking this into consideration, Pine (1999) who popularized the concept, described it as “developing, producing, marketing and delivering affordable goods and services with enough variety and customization that nearly everyone finds exactly what they want”. Due to its complex definition, by different authors, it may be regarded as a business concept Kumar (2008), a marketing strategy Ibrahim (2013) or a manufacture system Abdelkafi, Friedrich (2006). Therefore, it is a change that may occur on every stage of the manufacturing process. Creating a customized product and bringing it on the market, it is also important not to forget about costs “with near mass production efficiency” Tseng, Jiao (2001), in order to make it cost-effective and accessible for wide range of consumers.

## Historical development

To meet marketing goals content marketing is using many different tools and channels to distribute it. Content marketing has become lately fully digital. Quick loading, mobile phone and different browsers optimisation/friendliness should be of matter of course. Instead of printed magazines, there are blogs, and instead of advertorial in printed media, marketers use sponsored content on relevant websites. It is not necessary anymore to produce your own magazines. It is important to attract your audience wherever. The goal is to cover multiple distribution channels to reach the widest possible audience. According to Plus (2016), companies use an average of twelve different tactics.

Most used amplification methods are, according to Marketo (2016), social media (excluding blogs) and article posting, followed by in-person events, e-newsletters, case studies and blogs. To target an audience correctly, a company needs to find successful content in its niche, to analyse where it is being shared the most, who the consumers are, and build up relationships and trust with them.

Customization itself has been around for a couple of centuries Kumar et al. (2007). There are three historical periods of development of the concept, starting with 19<sup>th</sup> century. The table below shows the key features of each period.

Table 2 The historical development of Mass Customization

19TH CENTURY— Craft (DIY Customization)	20TH CENTURY— Mass Production	21ST CENTURY— CIY Customization
<ul style="list-style-type: none"> <li>• Customized but labor intensive</li> <li>• Limited distribution</li> <li>• Inconsistent quality</li> </ul>	<ul style="list-style-type: none"> <li>• Low cost</li> <li>• Wide distribution</li> <li>• Uniform quality</li> <li>• Limited choices</li> <li>• Factory-enabled mechanization</li> </ul>	<ul style="list-style-type: none"> <li>• Customized</li> <li>• High quality</li> <li>• Low cost</li> <li>• Wide distribution</li> <li>• Unlimited choices</li> <li>• Internet-enabled mechanization</li> </ul>

Source: Flynn (2012)

As regarded above, up to 20<sup>th</sup> century people's needs and wants, were satisfied by small number of products of limited choice(DIY). With the flow of time, people's needs grow, and as to satisfy them, from hand-made products there is a shift in the 20<sup>th</sup> century to what is called mass production Flynn (2012). A short period after that, due to the state-of-art technologies development, the production was not limited anymore by lack of quality or resources, which gave a solid basis for mass customization development.

## DIY

People had to produce what they needed themselves or find another person who could do that for them. In that way, all the products had been customized, handcrafted, they were unique, and made upon the order.

Flynn (2012) describes it as a period of Do-It-Yourself (DIY) customization. People actually had no choice, but to produce goods one at a time. They had limited resources, and didn't have excess to technologies available today. For that reason, it slowed down the manufacturing process, in a way that it was impossible to create a whole batch of products.

### **Mass Production**

The DIY period was followed by The Industrial Revolution, and that was a notable change, craftsmen were replaced with machines and a production line and that started a mass production Pine (1999).

Lots of standardized products appeared on the market. People were never asked what they actually want, primarily, because the new market was fulfilled only with essential goods, at the beginning Flynn (2012). What really mattered is the product itself, no one cared about its shape or color, the greatest value of products was their utility. There is a quote by Henry Ford, which makes a fine example of this period: "*A customer can have a car painted any color he wants as long as it's black*" De Bellis (2016).

### **CIY**

After that period, comes an era with an abundance of good and services, over-saturated market is offering more products and more variations of them to respond to every whim of the

consumer Flynn (2012). And that is the time, when Create-It-Yourself (CIY) or mass customization concept is taking over the market. It was a privilege of the upper classes, before, but in consequence of the technology progress and its expansion, it became available for public. There is no need to possess any specific skills, or spend time looking for materials needed, to create something, it is all going to be taken care of. Thanks to internet and configuration platforms and software, where the consumer is able to modify and construct the product oneself, not walking out of the office or home, CIY is closer ordinary consumer now, more than ever, easy-to-use and affordable Piller (2004).

### **Customer value of mass customization**

Engaging the customer in the designing process also creates a deeper connection between the product and its author. There is a certain amount of time, consumers had to sacrifice and bring their own ideas into life. Therefore, it leads to creation of an emotional bond or as Patwardhan and Balasubramanian (2011) define it in their article: a "brand romance", which rises up the company in the consumers' eyes, consequently increasing the brand identity. Higher customer satisfaction leading to brand loyalty is another positive effect of the customizing process Lennart, Alsem (2002).

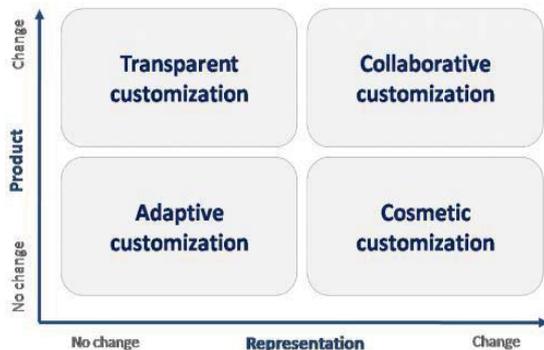
The success of mass customization is also defined by the major traits of the generation. Self-involved and even narcissistic De Bellis (2016), more and more people are looking for one-of-a-kind product, so they can stand out from the crowd.

### **Types of Mass Customization**

Depending on the business model and company strategy it is required to choose an appropriate way of customizing products or services to succeed. In their article for Harvard Business Review, Pine and Gilmore (1997), distinguish four approaches to customization, or as they call it "*four faces of mass customization*": collaborative, adaptive, cosmetic and

transparent. On the following picture represented four ways of customization offered by above mentioned authors.

Picture 1 Four kinds of mass customization



Source: Cleverism, Pine (1997)

*Collaborative customization* (Pine, Gilmore 1997) is a two-way communication process between the customer and the company. A dialog should be created between two parties, in order to understand the customer needs and to fulfill them accordingly. *Adaptive customization* offers the customers a standard final product, which can be modified upon their needs. This model creates ready-to-use products with changeable parts, so the consumers can adapt the product according to their mood or for any special event.

The authors continue with a *cosmetic customization*, which is meant to present the product "differently to different consumers" (Pine, Gilmore 1997). The core idea is that: product stays the same, though depending on the target group, they might alter its outer appearance. *Transparent customization*, takes into regard patterns of customer consumption and on that basis, adjusts the product to their specific needs "without letting them know explicitly" (Pine, Gilmore 1997) about it.

Changes applied to product might be implemented several ways. It is possible to customize either the package (representation) of the product; it's size, color or shape. Either alter the product itself. As showed by Walcher and Piller (2012) in their study "The Customization 500", they distinguished two methods of customization: Soft Customization and Hard Customization.

*Soft customization* comes under a post production stage; it is off-the-shelf, ready-to-use product, which can be modified by a customer (self customization), retailer (point-of-delivery customization); it also might be a customization of services Abdelkafi (2008). *Hard Customization*, is considered to be „ „the heart“ of Mass Customization“ or a pure customization Walcher, Piller (2012). In the second case, consumers' participation is necessary from the very start of manufacturing process.

### Implementation process of MC strategy

MC is a fine mechanism, which could work properly if all the details are put together in a right way Pine (1999). Whether, it is a start-up or a well established company, it might be difficult to build an effective and functional MC system Piller.

Therefore, Da Silveira et al. (2000) suggests six key factors that have main influence on implementation of MC strategy:

- An existing demand for customization in the field.
- Suitable market conditions.
- Balanced value chain system.
- Access to advanced manufacturing technologies.
- A wide range of customizable components.
- Awareness of modern trends and technologies through the value chain.

Piller (2005) emphasizes that it also depends on the management of a company; without their readiness to change and comprehension that it is a multistage process, it is hard for the company to survive.

### **Company related challenges**

Mostly, all the challenges of Mass Customization occurring on the part of the company, for customers it brings benefits mostly. Zipkin (2001) in his article, describes possible limits of mass customization. *Elicitation*, which means that data collected from the customer should be accurate and easy to manipulate with. It requires a sophisticated software or platform to be

developed. *Process flexibility* requires an advanced manufacturing system and machines, that are „smart“ enough to interpret the customers' data in final product. *Logistics*, since each product is unique and differs from the others, mistakes in delivery are not allowed.

### **Customer related challenges**

Despite the positive aspects of MC from the consumer position there are authors, who define three consumer related „inconveniences“ Whitelock, Bardakci (2003). From their point of view, the questions to be asked are if consumers:

- are ready to sacrifice their time, as customizing a product requires high consumer involvement.
- are eager to accept additional cost for customized products.
- disregard shipping delay, as a certain amount of time also required to produce the customized products.

Another pitfall underlying the concept is a „paradox of choice“ Schwartz (2005). The author supposes that, giving people too much freedom of choice will not make them happier, as supposed, but it can actually paralyse them and stop them from buying.

### **Practical Part**

MC is a universal strategy that can be applied to different fields of business environment: from food to computers. Though, considering its unique offer it is necessary to find a proper market niche and use a proper kind of MC. The following case studies are soft customization examples, being an example of the successful implementation of the concept.

#### **Cosmetic customization**

Starting with a cosmetic customization, a striking example of it, might be a campaign launched in Australia by the Coca-Cola Company in 2011, known as „Share a Coke“ During the summer period, instead of the iconic logo, 150 most widespread names appeared on the bottles. The idea was not only to create a customized product with your name on it,

that way they could reach only 42% of the customers Coca-Cola company (2015); but they were motivating people not only to buy the product, but to “share a coke with” friends and family

Coca-Cola company (2015). The picture below illustrates customizable design and a web page created for “Share a Coke” campaign.

Picture 2 Web platform for Coca-Cola customization



Source: Coca-Cola company (2015)

Consumers had an opportunity to share their favorite drink both online and offline. Social Media Platforms were actively used for that campaign; a virtual “Coke” was created and using a hashtag “#ShareaCoke” you were able to share it through the Social Networks like

Twitter, Facebook or Instagram. As a result, they reached a 7% increase in consumption. They received more than 18 million media impressions; the traffic on Coca-Cola’s Facebook page increased by 870% and the number of “likes” went up to 39% MarketingMag (2015).

Later, they have gone even further. “Share a Coke tour” took place in the USA in 2014, in 500 different places. The aim of it was, to give customers an absolute freedom to create a unique Cola Coca-Cola company (2015). Custom kiosks offered you to get a 20-oz can, of personalized “Coke” right away. Being a giant success, the campaign spread out in more than 80 countries, including China, Chile, and New Zealand. They also considered cultural differences; using individual approach the most common names for each region were chosen, and later on they appeared on the Cola bottles. For instance, in China instead of using names they came up with using the nicknames as: classmate, beauty, close friend. The campaign is still going on successfully. Today, there are three different kinds of customized “Coke” that can be purchased through the online shop: Coca-Cola®, Diet Coke®, Coke Zero™.

### **Collaborative customization**

The second case shows how the collaborative customization works. It is an Italy-based company, named Fullspot, first came to the market in the year 2009 with the customizable watches “O clock”. Although, the range of products is not that vast, but they have a lot to offer. There are three key products that they focus on: customizable watches, glasses and bags. Minimalism and personalization are the core ideas of the company that brought it to success. The motto of the company and its two major product are shown on the picture below.

Picture 3 O bag and O clock customization options



Source: Fullspot (2016)

Their most recognizable product is "O bag" , launched in 2013, the consumers are able to choose from different colors, straps and trims; inside and outside, having a total of 20.000 different customizable options for one product Fullspot (2016). This way the consumers are able to create a genuinely unique bag. There are already 250 stores around the world including Rome, Milan, Cannes, Barcelona, Tokyo, Sydney, Istanbul and Miami Fullspot, Boutique Magazine (2015).

### **Adaptive customization**

Above mentioned cases show the application of MC strategy on tangibles. But, in the time of ubiquitous technologies, MC offers attractive potential field. It has been a long time since it is being also applied on the intangibles Walcher, Piller (2014).

Adaptive customization example is taken from the sphere of technologies. Buying an Apple product you are getting it standardized, but the software is what makes it unique. "Show me your apps, and I'll tell you who you are" Walcher, Piller (2014) As for today, Apple store offers 1.5 million apps available, being the second biggest app provider (Statista 2016). From Lifestyle apps to Games, you can customize your device according to your preferences.

### **Transparent customization**

Transparent customization, is not one of the most common one. It may be regarded as a service orientated kind of customization. It implicates a well-established connection between the consumer and the company. This type of customization is about predicting consumers' needs, as it was done by Ritz-Carlton hotel chain. The personnel are carefully gathering the information about their guests during their stay: from their preferred room to their favorite drinks Pine (1997). All the data is being put under one system, in the consumers' "folder" that is in a free access for the staff. So, whenever the guest is back, without asking for it, each one of them is going to be treated individually, on the basis of the given information, as a sort of gratitude for their loyalty. Ritz-Carlton was the first hotel to tailor their services up to their guests.

### **Conclusion**

There is no need to be super observant to see the changes happening now. A person curious enough might be a witness of the processes that are going to change the way people live. In the world of more than seven million individuals there is a strong need for personal identification. Standing out of the crowd is becoming a real value, which consumers are ready to pay for. Mass customization is the change that responds to unconscious wishes of consumers. Lots of people are just not aware that they are already involved in the

customizing process, either by buying a bag or drinking soda, they are already being a part of it. As it is showed in the paper, it took decades for mass customization to get from a futuristic concept known in the academic fields only, to the shelves and inside real homes. And it is still being an unexplored area with a lot of white spots, a great challenge for businesses. As the case studies showed, mass customization can bring success to the company. But it is also good to keep in mind – mass customization is not a panacea. The companies should be aware of all the obstacles that mass customization may bring to them and they should be ready to face them. Engagement on all the levels of a customizing process: from manufacturing to shipping, developing strong network cooperation within its own departments and the outer world. That is vital for a future growth of a company and its success.

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## 2.7 Outsourcing in IT Services

### Felix Strouhal

**Abstrakt:** Cílem této práce je pomoci lidem pochopit různé aspekty outsourcingu v informačních technologiích. Především se jedná o výhody a nevýhody, důvody outsourcingu, ale také o informacích, kde firmy nabízí nejkvalitnější outsourcing v informačních technologiích za přijatelnou cenu. Autor za účelem sběru dat navrhl zkušební poptávku, která byla zaslána vybraným firmám zabývajících se outsourcingem v informačních technologiích. Následná práce s daty byla provedena ve dvou fázích. Byl použit Microsoft Excel pro základní statistickou analýzu a přímá komparace pro vytvoření popisných informací. Náhodný výběr outsourcingových firem při výběru vzorku proběhl ve Spojených státech, Asii, Evropě a v České republice.

**Klíčová slova:** Outsourcing, informační technologie, outsourcing tvorby webu, IT služby

**Abstract:** The main objective of this study is help people understand various aspects about outsourcing in information technology specifically the advantages, disadvantages, reason for outsourcing as well as where companies offer best information technology outsourcing service at an affordable price. A request sample is designed and sends to selected information technology outsourcing companies to help in collection of data. Data analysis is performed in two stages whereby Microsoft excel is used for statistical analysis while direct comparative examination is performed for development of descriptive information. Random selection of outsourcing companies within the united states, Asia, Europe and Czech republic is conducted when choosing the sample.

**Key words:** Outsourcing, Information Technology, Website Development Outsourcing, IT Services

### Introduction

According to Cata, outsourcing is the practice whereby a company delegates its processes to an external third party agency despite the fact that it could be accomplished using in-house resources. The major purpose of outsourcing is to ensure that the mother company realizes increased benefits such as reduced costs, enhanced quality and product innovation. Outsourcing is increasingly becoming a normal trend in information technology because there is need for constant transformation of various aspects in the industry (Cata, 2007 p. 10). Cata continues to elaborate that the complexities involved in planning, analysis, installation, network servicing and management of information technology projects is the main reasons why even larger international corporations have to outsource (Cata, 2007 p. 13). Due to this, outsourcing in information technology is now a hot topic that requires adequate attention to facilitate viable decision-making process. This article illustrates some advantages and disadvantages of outsourcing using prominent corporations that relies on this practice to accomplish their IT projects.

## **Goals and Objectives**

The main goal of this paper is to provide information and comparison of prices in different countries considering outsourcing in IT services. It will help those who do not have the idea about the importance of outsourcing understand the benefit of using international companies to accomplish their projects. This comes after realizing that outsourcing services in information technology is very expensive in the Czech Republic while international companies can provide the same services at a relatively cheaper price. The author compares price offers on similar project request. The paper is justified bearing in mind that very many companies and individuals are increasing becoming unable to outsource information technology services in the country. Since information technology is taking over the entire world, it is important to empower the citizens in the Czech Republic so that they can connect with the entire world as they undertake their transactions.

## **Theoretical and Methodological Part**

This part of the paper is focusing on presenting the general information about outsourcing. Author is mainly focusing on explaining the main reasons for outsourcing and presenting some of the companies that use outsourcing services. Furthermore author is introducing the main advantages and disadvantages of outsourcing that company or individual might encounter. Afterwards the author is presenting online outsourcing services as one of the cost effective ways for small businesses.

## **Reasons for Outsourcing**

There are so many factors that the company usually puts into consideration before reaching the decision to outsource in accomplishing some of its tasks. These factors are used to develop the possible reasons that compel the company to outsource for successful achievement of its goals. As Cata illustrates, among the reason is the fact that outsourcing results into reduced operational and labor costs. It is also believed that outsourcing is one way of encouraging innovation within the company because it helps the company to tap the global knowledge base (Cata, 2007 p. 15). Through this, it is also anticipated that outsourcing is a channel for expanding the company's market scope because it is easier to access international markets due to increased excellent capabilities. Outsourcing also allows the company to refocus in-house resources to other projects and hence the need to outsource to accomplish IT projects as a way of facilitating diversity and expansion of company operations.

## **Companies That Outsource**

As far as Harth and Koch are concerned, almost every company regardless of the position on the market is now engaged in outsourcing for effectiveness and efficiency in handling their information technology projects. Some of the most prominent large corporations involved in outsourcing include Accenture, IBM, Wipro technologies, affiliated computer services (ACS), Sodexho, colliers international, computer sciences corporation (CSC), Infosys technologies, ISS and Capgemini among others. For instance, Accenture's major client is the fortune global 500 whereby it helps in management of applications and infrastructure through to BPO (Harth and Koch, 2012 p. 25). IBM provides services aimed at effective supply chain savings with Xerox being the major client. The most notable impact of effectiveness of ACS outsourcing services is whereby there was tremendous improvement in Houston transportation systems. Sodexho is a company that works with more than 10 million customers on a daily basis for specialized facility and vendor management.

Capgemini has collaborated with prominent Intel and Microsoft so that it is able to serve its clients well for sustainable long-term expertise and growth of the shareholders.

### **Advantages of IT Outsourcing**

Sharma and Sharma notes that using the services provided by highly qualified web design companies is economical and hence helps in saving of costs of operation as well labor and other expenses. This is achieved because it eliminates the large budgetary requirement for hiring research and development team as well as hiring independent designers. The services provided by such companies are also effective in saving time because each development is accomplished basing on well-laid schedules (Sharma and Sharma, 2012 p. 66). As a result, the company is able to reallocate the staff to accomplish other tasks without altering other business processes within the company. Through these services, it is easier to get access to latest technological advancement as well as development of new approaches thorough innovation. This is because there are higher chances of accessing global knowledge base for development of unique, effective and user-friendly website. Generally, outsourcing web design services is required for increased revenue as well proper utilization of resources. In relation to Sharma's claims, Madon and Sharanappa states that to other countries such as those in Asia, Europe, Africa, North America, South America, etc, outsourcing is important because it increases specialization. This allows employees in the company to concentrate on what they are good at hence encouraging them to maximize resources to accomplish company goals. Outsourcing is also essential for enhancing the capabilities of companies such that they are able to compete effectively on the market (Madon and Sharanappa, 2013 p. 397). The IT resources that are imported to the company give it the ability to match the IT systems that are used by larger corporation on the market. As a result, the companies are well equipped with the abilities to service themselves and attain sustainable innovative systems. Outsourcing can thus be used as an avenue for creating a balanced business environment for good performance of both small and big companies. In short, outsourcing can be used by companies from various countries as a way of attaining acceptable international standards for fair competition on the global market.

### **Disadvantage of IT Outsourcing**

On the other hand, Sharma and Sharma highlights that relating on outsourcing is risky in the company in the sense that it contributes to loss of personal touch among employees. This is because it eliminates the capabilities of the in house team members to develop familiarity with unique features and eccentricities of their networks. Overdependence on outsourcing is responsible for possible productivity losses that emerges due to failure in critical systems components. This is likely to be experienced in cases whereby the IT contractor is busy and hence cannot readily respond to company needs in resolving arising issues. The system breakdown is then used as an escape excuse among employees for failing to accomplish their tasks. The ultimate effect of this is loss of revenue due to underproduction or production of poor quality products hence reducing sales (Sharma and Sharma, 2012 p. 54). Another risk associated with outsourcing in IT projects is substandard security protocols especially whereby the IT contractor is not the director benefactor of the results form the company transactions. There are usually chances that employees from the contractor company might breach security requirements and interfere with the company's operations resulting into vary devastating effects. Madon and Sharanappa also highlights that some of the negative impacts that accompany outsourcing in other countries include exposure of confidential data, poor customer focus and presence of hidden costs as well as synchronization of deliverables among others. Outsourcing programs can only be effective

if the company complies with the demands of the contractor some of which might require revealing some confidential data (Madon and Sharanappa, 2013 p. 390). This puts the company at risks because individuals with malicious intentions might expose this information to unwanted recipients. It is also possible that outsourced contract is more interested in meeting expert needs of various organizations rather than focusing on the company tasks. This emerges in the sense that the goals of the company might be very different from those of the contractor and hence ignoring meeting the needs of the customers. It is also important to realize that despite the fact that outsourcing is cost effective, at times there are usually hidden costs that arise when signing contracts and accomplishing international legal requirements. This simply implies that not all outsourcing activities are perfectly good but rather there might also be issues like substandard quality, delayed accomplishment or responses and inappropriate grouping of responsibilities or priorities.

### **Outsourcing Web Development by Small-Businesses Online**

Small-businesses are usually looking for a cost-effective way with guaranteed quality work that will be accomplished within the scheduled period. For them outsourcing local companies usually proves to be very expensive. Fortunately, we live in 21st century so it is now possible to outsource your projects outside of your country and online. All they need is a credit card and know English. Thanks to services like upwork, freelancer or fiverr there is now a possibility to contract freelancers from all around the world.

### **Benefits and Risk of Outsourcing Online**

Amongst the biggest benefits of outsourcing online falls definitely cost efficiency, speed and specialist work. It is better to understand that there are some risks to take into consideration before starting outsourcing online. To risk falls developer will not deliver on time, you cannot be sure about the skills level or professionalism and communication over internet might prove to be slow. The author believes it is possible to avoid these risks by checking sellers reviews, checking upon his work and functionality in process, outsourcing product testing and communicating with the seller before you make the final order and being available for him during the development process.

### **Website Outsourcing on Fiverr**

For example, fiverr.com is working on a gig economy. In gig economy, you contract independent workers for short-term engagements. Currently there are over 3,000,000 gigs on fiverr and you can outsource almost everything from the area of IT. It is possible to outsource for example website development, phone app, business card creation, logo designs, video editing, animation, flyer design, game creation, template for PowerPoint presentation, etc. You can either post request or search for a gig that suits your need. In job description, it is always important to be extremely thorough, as things that will not fit in the descriptions of the job might later increase the budget. This step allows the client to start browsing and examining profiles as he receives proposals from potential candidates. Through reviews of profiles, ratings, portfolios, credentials and prices, the client is able to choose the candidate that is suitable for the job. There is need for high level of collaboration between the client and the specialists, which is depicted through constant sharing of resources online.

## **Methodology and Practical approach**

For the search of the references for theoretical part of the paper author used online search engine. In practical approach since one the the goals of this paper is to provide comparison of prices the author has choosen to compare offers from two leading companies in online outsourcing. First company is focused on international freelancers and second on Czech freelancers. These companies were chosen because of their reach and size.

### **Sampling**

Participating companies will be selected from the United States, Asia, majorly India and Pakistan, Europe and the Czech Republic. Sampling will be conducted online basing on the availability of these companies as presented on fiverr.com. Concisely, six offers from each continent or countries were collected from fiverr request page and from e-poptavka and used as the representative samples. This was based on the companies that offered the lowest bid offers in their respective countries and respected request information.

### **Data Analysis**

Comparison of the data as presented in table is used for analyzing the information. The comparison criteria will be based on price set per task as provided by each specialist. Microsoft excel was used to compute the data so that a statistical value could be established and used for rational decision-making. Excel was chosen because it is easier to use, readily available and highly accurate. This software can allow any other person view the results and get the real picture of the results before making the decision. Thus, it was possible and easier for the author to get the average offer prices for the six companies from each country. They were then compared to the results obtained from other countries but most importantly form those that were gotten form Czech Republic.

### **Practical - Analytical Part**

In practical – analytical part the author is focusing on describing the data collection process from two companies that specialize in online outsourcing services. Further he presents the results of the statistically analyzed data collected from USA, Europe, Asia and Czech Republic. This data provides indication of price range for website development internationally. All the data are presented both in USD and CZK so that is is easier to compare the differences.

### **Data Collection**

Data collection is accomplished through making online request on fiverr. The aim will be to convince specialists to provide information about budget based on same request. The Czech server e-poptavka.cz will be used for effective collection of data especially for companies within the Czech Republic. Data about international companies will be obtained on fiverr. A general request will be posted on each company’s website and it reads, “Hello, looking for someone who will create website like [www.laurajanackova.cz](http://www.laurajanackova.cz), including GOPAY integration, e-shop, admin editing of all pages, customized maps, pdf customized tickets generation, youtube live channel feed as well as A-Z development including unique design and tailored CMS.”

### **Results**

The following table shows the results obtained from the study and thus makes it easier for

the decision makers to comprehend the variations between the countries.

Table 1 Price estimates according to country

	USA average	EUROPE average	ASIA average	CZECH average
in USD	\$ 2 012.50	\$ 1 137.50	\$ 579.17	\$ 2 732.02
in CZK	Kč 46 640	Kč 26 362	Kč 13 422	Kč 65 833
SD in USD	\$ 183.57	\$ 174.25	\$ 126.18	\$ 769.89
SD in CZK	Kč 4 254.00	Kč 4 038.00	Kč 2 924.00	Kč 18 552
Median in USD	\$ 1 975.00	\$ 1 175.00	\$ 512.50	\$ 2 801.20
Median in CZK	Kč 45 771	Kč 27 231	Kč 11 887	Kč 67 500
Price difference with CZECH average in CZK	Kč 19 193	Kč 39 471	Kč 52 411	
Price difference with CZECH median in CZK	Kč 21 729	Kč 40 269	Kč 55 613	

Note: USD to CZK according to the exchange rate from 4/12/2016 - 7:00 AM

Source: own survey 2016

As indicated in the results it is evident that outsourcing of information technology services is cheaper if the service providers comprises of companies from outside the Czech Republic. Asia, which comprises of India and Pakistan, has the cheapest prices of them all and it was also realized that they provide the best services ever after the united states. Thus, there is no doubt that with careful selection one is able to get best information technology outsourcing services in Asia at the cheapest price compared to all other places. The price differences in relation to Czech Republic reveal a very high gap in the services provided by international outsourcing companies. Briefly, Asian companies offer outsourcing services in information technology at a very lower prices compared to Czech Republic.

### Conclusion and Recommendations

Basing on the statistical results as computed by the Microsoft excels software, it was clear that the Czech Republic companies offer their information technology outsourcing services at higher price than other international subjects. Subsequent research on this topic is needed. Next step should be to establish the credibility and reliability of the information gathered. Eventually a single company with the lowest bid from each of the countries should be selected and allocated the offer. This would aim to establish whether the companies offer comparable quality of services and whether they had provided a genuine bid offer or there

are other hidden charges. Since every company usually wants to minimize costs while maximize profits companies to chose outsourcing companies that offer information technology at lower prices. Through authors personal experience it is possible to find quality developers, designers or programmers all around the world, but if you are looking for the best quality for lowest prices freelancer from India, Bangladesh or Pakistan is the best choice. Using freelancers from these countries it is possible to have high quality product for a price that is almost six times lower then price offered by Czech outsource contractor. If the company provides own project manager and will outsource steps, not A-Z development even more money can be saved, but it is important to keep in mind that project managing usually takes a lot of time and requires management skills. In summary, it is evident that excellent outsourcers must be present and recognized globally with tangible examples of successful projects in progress. Such companies are vital because they help their clients make good use of each resource that is available so that it expands its global market. It is also important that these companies provide operational expertise that is well equipped with stronger talent pool that suits the specialized needs of the company. This is only relevant if they are able to ensure constant improvement of daily operations accompanied by quantifiable and measurable performance indicators. Most important is that the outsourcing relationship developed benefits both sides so that a conducive business environment can be achieved.

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## 2.8 Learning Organization.

### Miroslav Švarc

**Abstrakt:** Cílem této práce je ověřit, zda a jak může Google kalendář přispět k naplnění konceptu Učící se organizace. Dílčí cíle jsou: Popsat aplikaci Google kalendář, její funkce a využití. Nestrukturovanými rozhovory ověřit naplňování konceptu ve vybraných školách před a po zavedení Google kalendáře. Vyhodnotit způsoby, kterými je tento koncept naplňován a učinit případná doporučení. V teoretické části je použita zejména metoda analýzy sekundárních zdrojů, na jejímž základě byla sestavena literární rešerše na dané téma. Použité internetové zdroje byly vyhledány pomocí techniky „search engine marketing“. V praktické části se jednalo především o vlastní kvalitativní výzkum metodou nestrukturovaného rozhovoru.

**Klíčová slova:** Učící se organizace, plánování, Google kalendář.

**Abstract:** The aim of this study is to verify whether and how the Google Calendar can help to realize the concept of Learning Organization. Specific objectives are to: Describe Google Calendar, its level of function and use. Verify by personal interviews the implementation of the Concept in selected schools before and after the introduction of Google Calendar.

**Keywords:** Learning Organization Concept (L.O.C), Planning, Google Calendar.

### Introduction

The objective of this work is the verification of Google Calendar's contribution to the fulfilment of the Learning Organization Concept and improvement of an organization's ability to learn and work effectively throughout conducting personal interviews with stakeholders in two language schools in the mid Bohemian Region and the analysis of collected data obtained by conducting these personal interviews and studying specific literature, and their subsequent examination and application in individual cases.

### Specific objectives are to:

- Describe Google Calendar, its level of function and use.
- Verify by personal interviews the implementation of the Concept in selected schools before and after the introduction of Google Calendar.
- Evaluate the ways in which the concept is fulfilled and make recommendations if needed.

Nowadays, in the global environment, full of unexpected turbulent changes and speeding economic cycles accelerating by the ever-increasing intensity, where what we learn today may be completely obsolete and unnecessary tomorrow, and where we constantly need to learn and acquire new skills that will help us to overcome the crucial moments of survival or extinction, it's more important than ever to meet the needs of the Learning Organisation Concept (L.O.C).

First described by Chris Argyris and Donald Schon who wrote the book "Organizational Learning" ([Argyris and Schon, 1978](#)).

The question is, can the Google Calendar tool help with meeting the needs of learning this concept and if so to what extent?

In "Organizational Learning" (Argyris and Schon, 1978, p. 1-4) the authors describe "learning" as a never-ending process for every member of the organization and for the organization itself. Argyris and Schon defined two basic models. The first model "Single loop learning" is based on the premise that people are trying to manipulate the world in accordance with their individual intentions and desires. Therefore, the organization itself faces great learning difficulties and implementing changes can be complicated. On the other hand, the second model "Double loop learning" (Argyris, 1991, p. 100) is described as the concept of "thermostat questioning": Whether the set temperature 20°C is economical and if there could be some better temperature to achieve the goal of heating the room? By this, we mean that people can proactively respond to organizational needs and adjust their behaviour accordingly.

For Armstrong et al. (2014, p. 297), double-loop learning means challenging assumptions, beliefs, rules and decisions rather than accepting them.

### **Theory and Methodology**

Defensive Routines are seen by Argyris (1993, p. 18-19), as a phenomenon that prevents an organization from learning. Communication barriers gradually develop between executives and impossible solutions tend to be applied to critical issues. The meetings are usually dealing with irrelevant issues and fundamental problems are often vented only in the lobbies. Argyris distinguishes several levels of learning: The basic level is generally called a Superficial Response to a specific piece of information which gets lost and no conclusion comes from it, or it is left up to the relevant staff, to deal with as they please. A higher form of learning is to find an explanation why there is a given phenomenon in a particular environment and to perform a detailed analysis and learn from such experiences so as to prevent any further occurrence of such deficiencies. The highest level of an organization's learning is when it takes into account both the external environment and also its own processes, so that the organization can then produce the best possible outcomes. Individuals in such an organization are able to drop their personal prejudices and non-functional routines, and thus change their mental abilities and constantly move forward.

A similar argument is provided by Araujo et al. (in Armstrong, 2006, p. 540), where the learning organization is an: "*Efficient procedure to process, interpret and respond to both internal and external information of a predominantly explicit nature.*"

Watkins and Maršíček (in Tichá, 2005, p. 58) claim that learning occurs at the level of individuals, groups, teams, and even at the community level which the organization is in contact with.

Whereas according to Dixon (in Tichá, 2005, p. 53-54) learning organizations purposely use the learning process itself at the level of individuals, groups and the system for gradual transformation of the organization in a direction that increasingly meets the needs of the relevant interest groups.

### **Learning Organization Concept's Disciplines**

Peter Senge (1990, p. 139-363), one of the world's most important leadership and management authors, described in his book "The fifth discipline" five important areas for

implementation of the concept. This excited people in management theory as well as in practice and enriched Argyris's original concept with a complex and systematic point of view. Senge's

"Fifth discipline" concept can be described as: Personal Mastery, Mental Models, Shared Vision, Team learning, Systems Thinking.

Personal Mastery represents mastering one's own level of personal development. This discipline concerns continuously deepening and improving one's own personal vision, thus developing a sense of patience and clearly responding to one's own perception of reality. An organization's employees are supposed to be the masters of their own profession. This discipline has basically two directions. The first one is identifying and clarifying those issues which are really critical to the individual. The second is a never-ending process of acquiring the ability to clearly perceive the external realistic reality. The aim is to simultaneously develop in both directions for personal development (Senge, 1990, p. 139–174).

Mental Models are the deeply rooted subjective assumptions of each individual within the organization with generalizations or even visual imaginations influencing the interpretation of the world in which the individual lives. Organizational members, thanks to their mental models of the world, are able to recognize their own prejudices and non-functional routines, and get rid of them or change these mental models and thus move steadily forward. An organization's collective thinking helps formulate its visions. This discipline is based on conducting personal interviews which effectively discover rooted assumptions influencing the way people think (Senge, 1990, p. 174–205).

Shared Vision. For Senge (1990, p. 205–233), creating a common, shared vision of the future that enhances the identification of each individual with the organization is crucial. Based on this vision, individuals are able to perceive what is important and proactively provide extraordinary levels of performance because they actively want to do so themselves, not because they are forced do so. Shared vision provides not only the energy for continual learning but also forms an organisation's sense of being and perceived worthiness. According to Senge, it is important to support the organization's shared vision by adopting a common Systems Thinking, because Systems Thinking represents the way the organization manages to create those outcomes that it strives for from the beginning.

Team Learning is important for a company in order to be effective. It is essential for teams of professionals to possess the ability to work together (teamwork), so as to enhance performance. Therefore, the learning team represents the core to any given organization (Senge, 1990, p. 233–339).

Systems Thinking as the fifth discipline is believed to be the most important, primarily due to its integrative approach combining all previous disciplines into a complete living system with internal relationships and ways of behaviour that are merged into a cohesive whole in terms of theory and practice. Without Systems Thinking, the mastery of other disciplines has little impact (Senge, 1990, p. 363–368).

In a Learning Organization, each of the disciplines has a crucial meaning for the success of the other remaining four disciplines (Senge, 1990, p. 342).

As described by Honey (1998, p. 28–29), the aims of "learning to learn" knowledge is to provide a ground for learning and organizing of planning as well as to share what has been known with other members so as they are able to benefit.

Palán (2007, p. 34–36) states that necessary precondition for implementing the system of learning organization is to develop an educational climate which also requires: Establishing a monitoring mechanism (permanent monitoring and evaluation) of the internal environment and relative requirements, Developing tools for evaluating the effectiveness of all parameters of business development (productivity, costs, revenue, customer care, etc.).

### **Used Research Methods for Concept’s Verification**

A compilation of literary research of the given topic was initially conducted, followed by an analysis of secondary sources. The internet sources used were found through the technique of “search engine marketing”. The practical section involved conducting qualitative research through utilizing the personal interview methodology.

Initially the aim was to conduct a Quantitative research survey with stakeholders, however they refused to participate in such a questionnaire. Therefore, it was decided to conduct Qualitative research in the form of Responsive Interviews in compliance with Rubin and Rubin (2012). This focuses on developing a trustworthy relationship that allows for more open and honest communication through encouraging give-and-take in the conversation. There is mostly a friendly gentle tone with little confrontation and the style of information sourcing is flexible, questions emerge in response to what has been just said by the interviewees and follow up questions are formed based on the subjective experiences, knowledge and feedback of each interviewee (Rubin and Rubin, 2012, p. 37).

### **Practical and Analytical Section**

Taking all the information from the Theory and Methodology into account, the aim of this study is to verify whether and how the above ideas can be realized through Google Calendar in compliance with the concept of Learning Organization in terms of Systems Thinking.

#### **Specific objectives are to:**

- Describe Google Calendar, its level of function and use.
- Verify the implementation of the concept through personal interviews in selected schools before and after the introduction of Google Calendar.
- Evaluate the ways in which the concept is fulfilled and make recommendations.
- Calculate the recommendation’s cost.

Google Company (2016), is a software company providing several useful application alternatives to the MS Office package (Microsoft, 2016). Beside others there is an extremely useful Text Editor which is the alternative to MS Word, as well as a Spreadsheet as an alternative to MS Excel (Microsoft, 2016).

Google Calendar can be described as a time-management web application, created by Google which has been available since April 13, 2006, and in July 2009 released in beta version (Google’s history, 2016).

Users must have a registered Google Account in order to use the Google Calendar where many separate calendars are united in one place and it has several functions including the ability to share calendars, loading public calendars, synchronization, program reminders etc. It may be run online on windows or offline with later synchronization on iOS and android devices. Users can create events and appointments and also set reminders and

invite other people to meetings and events. They can also search events and activities in the calendar as well as write notes about such meetings and events. The calendar's computer interface is very intuitive, with a search bar at the top. Next to the search bar is the Google logo, the name of the user with a Google application button, a reminders button and the user's profile picture. The "Today" button that is very useful when a user needs to come back to their current day, and can be seen below the search bar. Two arrows on the right side of the "Today" button allow the user to move across the calendar's days or weeks etc. depending on the setting located on the right where "Day", "Week", "Month", "4 Days" buttons can be seen. Additionally, there is the "More" button where the calendar can be printed. When creating an event in a computer interface there are several windows to be filled in. There are compulsory windows such as the event's name and start and end dates and times at the top of the page. Two checkboxes can be found below this, where option such as "All day" (basically meaning that the activity will be at the top of a user's day list), can be chosen. Next to the "All day" checkbox is the "Repeat" checkbox where the repetition frequency and the end of repetition can be selected. This setting is very user friendly and offers an effective tool for setting regular meetings by creating just one event only once, and it is then repeated. Users can also add the location that is synchronised with Google maps into the "Where" window and other necessary information such as contact details, conflicts and notes, from the last event into the "Description" window. It is possible to add attachments from Google Drive (which is an online data storage facility offered by Google) located below the "Description" window. The event colours checkbox is followed by a scrollbar for notifications and reminders, all of which are located below the attachment. The biggest potential of this system is in the portability, compatibility and speed of this tool. There are no problems integrating changes and cancellations of meetings with smartphones and all changes are uploaded and saved within seconds (Google Company, 2016).

The assumption tested in this research is whether the Google Calendar tool can facilitate implementation of the Learning Organization Concept within any given organization. The Calendar was therefore implemented in two language schools with the aim of simplifying and increasing their planning effectiveness.

To verify the implementation of the concept, personal interviews were subsequently conducted from the 4th to the 20th of April, 2016 with thirteen teachers and two managers from two language schools.

Language School AB is a small language school with two teachers one manager and about 28 lessons a week. It had been previously using an organization system with standard paper-made diary books and lessons confirmed by e-mailing. Every cancelled lesson had to be deleted in the diary and e-mailed to the operator with the postponed or cancelled time. This system was time demanding and required the teacher to be disciplined in every cancellation of the lesson and the operator to be permanently online (L.S. AB guidelines, 2013).

Language School XY is a middle-sized language school with about eleven teachers, one manager and currently about 133 lessons per week. At the beginning of 2015 the school had also been using the same system of organising the lessons as described above (L.S. XY guidelines, 2012), and with its six teachers and two classrooms at maximum capacity due to scheduling problems. The company was also facing a lack of follow-up actions as well as time for feedback, vision affirmation, team learning and systems thinking (Senge, 1990, p. 139-233, p. 363-368).

Even though all the teachers were aware that there was no time to deal with such issues. All the teachers were operating independently as solitary individuals. There was also little time for regular feedback meetings, therefore the company was in a state that was very distant from the concept of a Learning Organization due to a lack of time.

These time-demanding activities prevented both organizations from conducting self-development activities (such as preparations and personal interviews) aimed at fulfilling the concept of a Learning Organization in terms of "Teacher's Personal Mastery" as well as "Team Learning and Shared Vision Affirmations" as described above by (Senge, 1990, p. 139–273).

Therefore, both Language School XY and Language School AB applied Google Calendar to their planning systems, so as to evaluate the extent to which Google Calendar could facilitate the Learning Organizational Concept. Although the aim was to conduct a survey to test this, when asked to participate in a questionnaire survey both companies refused. However, they agreed to participate in personal interviews. These personal interviews with all stakeholders (management and teachers) found that both language schools have significantly improved in all areas of the Learning Organization Concept after the introduction of Google Calendar's planning system.

This is in line with achieving Personal Mastery (Senge, 1990, p. 139–174), by identifying the general needs and goals of the education itself as well as allowing for planning of educational sessions in real time with the implementation of the educational processes and evaluation of educational results (lesson plans, teacher's approach, student's satisfaction, etc.) which are much more effective than before. Relevant information such as student's learning styles, opportunities for improvement, homework, student's details, and contacts can be accessed immediately by users concerned.

As Armstrong et al. (2014, p. 293) claimed: *"...one of the most important arts that trainers have to develop is to adjust their approaches to the learning styles of trainees. Trainers must acknowledge these learning styles rather than their own preferred approach."*

Therefore, are preferences carefully administered and later analysed with the help of Google calendar. The resulting increase in time effectiveness is invested on a regular basis in internal meetings which serve to reinforce the company vision while making the individuals feel part of the whole. This creates motivated, enthusiastic, highly qualified, skilled, technically equipped and prepared lecturers, who lead the effective lessons of language training with astonishing effects not only on their own work but also on themselves, because except for teaching the others, they are also growing themselves and therefore increasing their competitiveness on the job market and are thus approaching "Personal Mastery." Armstrong et al. (2014, p. 299): *"Individuals learn for themselves but they also learn from other people – their managers and co-workers (social learning)."*

To Evaluate the ways in which the concept is fulfilled it is necessary to consider that in spite of all the Calendar's advantages, both schools were facing serious troubles to engage all the teachers into using Google Calendar because the company culture did not welcome the changes at that time. It is still necessary to continuously strengthen communication of a common vision, encourage development, team work, and systems thinking after the application of the Google Calendar. Although it is a powerful tool which can support the systems thinking discipline as the most important part of the concept. The Google Calendar itself is not able to guarantee the concept of Learning Organization and the outcomes gained

from this research confirmed Senge's believe in the importance of Systems Thinking due to its integrative approach combining all previous disciplines into a complete living structure with inner relationships and reactions that are gathered into a cohesive whole where each of the disciplines has a crucial meaning for success of the other remaining four disciplines. The ideal situation is for each Language school to hold regular 30-minute meetings twice a week so as to encourage and motivate their employees to actively adopt the schools' overall core mission, work ethics, organizational principles and visions.

Expertise Cost Estimation of holding such regular internal staff meetings was conducted based on a common hourly rate for each participant (teachers and the manager). The hourly rate for each teacher is 230,- Kč / hour and 320,- Kč / hour is considered the average hourly rate for managers. The annual costs of these events was calculated based on the recommended number of meetings necessary and the hourly rate of all participants. This amounted to a total of 37 440,- Kč / year for Language School AB and 136 800,- Kč / year for Language school XY. A detailed analysis of this cost comparison is provided in appendix II.

If these meetings were implemented, the exact investment return cannot be estimated only on the basis of this preliminary analysis. Therefore, a more detailed analysis is recommended.

### **Conclusion and Recommendations**

The conclusion is that, despite the fact that Google Calendar alone cannot provide a guarantee for achieving the concept of a Learning Organization, it can be very helpful in implementing and approaching the ideal of the Learning Organization Concept in multiple ways throughout planning, administration, analysis and real time data provision.

Both schools were recommended to steadily continue encouraging teachers' participation in identifying and understanding the real and perceived needs of their students, and finding the principles of meeting those expectations so as to fulfil the company's mission rather than solely relying on system tools without the support of communication and clarification of each other's needs and goals Armstrong et al. (2014, p. 302).

The school managers were also advised to encourage and motivate employees to actively adopt the schools core mission statement, work ethics, organization principles and visions by conducting ideally 30-minute internal meetings twice a week, which act as feedback sessions that focus on strengthening all five of Senge's disciplines, while utilizing all the communication means and questions formed during this research (attached in the appendix I) so as to approach the Learning Organization Concept ideal. This would have a collaborative beneficial result in that students would have the added benefit of a higher quality level of teaching and information dissemination, while the school itself would benefit from greater student satisfaction leading to increased economic returns. As described by Senge, (1990, p. 342): *"As best we can tell so far, all the disciplines are critical and must be developed. Leaders must guard against slipping into a comfortable "groove" of relying on particular disciplines, each of which, in isolation, will prove self-limiting."*

The results obtained from this research could be implemented in small companies (with three to thirteen employees) with an immediate and visible benefit. However, the author of this research believes that further Quantitative Research in order to validate would be beneficial in substantiating the hypothesis.

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## **APPENDIX I**

Unstructured interviews with managers were focused on answering the following questions:

Where do you perceive the risks and opportunities at your work? Did you identify the same risks and opportunities before Google Calendar was applied?

What affect did Google Calendar have in your school and in your own work? How did you work before using Google Calendar? How would you compare the outcomes before and after the calendar was implemented?

How do you perceive your profession? How did you perceive it before Google Calendar was applied? How do you personally perceive your professional development now? What obstacles prevent you from personal development? How did you perceive it before Google Calendar was applied? How do you perceive your personal goal setting? Are you actively setting goals? If so, what and how? How do you verify them? How did you do that before and after the Google Calendar was applied? Do you perceive any movement/ progression in your profession? In what direction? Are you moving forward or backward? Why? Did the application of Google Calendar change your perceptions? In what way? What questions do you see as crucial in your profession? What questions did you see as crucial before Google Calendar was implemented? How did the application of Google Calendar affect or influence your perceptions? What is the mission of your school? How did you see that mission before and after the Google Calendar was applied?

Where do you see the operational threats in your profession? Had you seen the same threats before the application of Google Calendar? How do you feel about revealing non-functional routines and prejudices? Are you revealing them? What efforts do you take to reveal them? In what way? How did you do that before and after Google Calendar was applied? How do you perceive your environment and colleagues? Why? Did you see it differently before Google Calendar was applied?

What are your personal vision regarding teaching? How were these effected by applying Google Calendar? What is your company's vision? How far do you identify with this vision? How did the application of Google Calendar effect this? How was it before Google Calendar was applied? How do you envisage sharing this vision? How did you see it before the calendar was applied? How do you perceive your level of social learning? Is information generally being shared amongst your colleagues? Are they co-operating? How was it before Google Calendar was applied?

Could you compare planning your work before and after the application of Google Calendar? To what extant are you planning your work? How, in what way?? How did you do it before Google Calendar was applied? How do you feel about Google Calendar in general? Is it helping you in planning your work? How does Google Calendar affect your co-operation with other colleagues? How do you feel about your workload? Did the calendar influence this in any way? Where do you see the advantages and disadvantages of Google Calendar? Was there any improvement after the application of Google Calendar. Where? In what way? Why do you think so?

## APPENDIX II

Estimated costs for both teachers and managers of conducting regular meetings, calculated according to the appropriate hourly rates per individual. A total of 37 440,- Kč / year was calculated for Language School AB (based on the hourly rate of each meeting's participant), whereas a total of 136 800,- Kč / year was calculated for Language School XY (based on the same calculation procedure as for Language School AB).

### Costs estimation for the Language school AB:

	Managers	Teachers	Managers + Teachers
Number:	1	2	3
30-minute meeting twice a week:	1,0 hour / week	2,0 hours / week	3,0 hours / week
Costs per person:	320,- Kč / hour	230,- Kč / hour	550,- Kč / hour
Group meeting's costs:	320,- Kč / hour	460,- Kč / hour	780,- Kč / hour
30-minute meeting's costs:	320,- Kč / week	460,- Kč / week	780,- Kč / week
Costs of the meetings per month:	1 280,- Kč / month	1 840,- Kč / month	3 120,- Kč / month
<b>Gross costs:</b>	<b>15 360,- Kč / year</b>	<b>22 080,- Kč / year</b>	<b>37 440,- Kč / year</b>
Regular 60-minute meetings' time savings:	12,0 hours / year	24,0 hours / year	36,0 hours / year
Regular 60-minute meetings cost savings:	-3 840,- Kč / year	-5 520,- Kč / year	-9 360,- Kč / year
<b>Net costs:</b>	<b>11 520,- Kč / year</b>	<b>16 560,- Kč / year</b>	<b>28 080,- Kč / year</b>

### Costs estimation for the Language school XY:

	Managers	Teachers	Managers + Teachers
Number:	1	11	12
30-minute meeting twice a week:	1,0 hour / week	11,0 hours / week	12,0 hours / week
Costs per person:	320,- Kč / hour	230,- Kč / hour	550,- Kč / hour
Group meeting's costs:	320,- Kč / hour	2 530,- Kč / hour	2 850,- Kč / hour
30-minute meeting's costs:	320,- Kč / week	2 530,- Kč / week	2 850,- Kč / week
Costs of the meetings per month	1 280,- Kč / month	10 120,- Kč / month	11 400,- Kč / month
<b>Gross costs:</b>	<b>15 360,- Kč / year</b>	<b>121 440,- Kč / year</b>	<b>136 800,- Kč / year</b>
Regular 60-minute meetings' time saving:	12,0 hours/ year	132,0 hours / year	144,0 hours / year
Regular 60-minute meetings cost savings:	-3 840,- Kč / year	-30 360,- Kč / year	-34 200,- Kč / year
<b>Net costs:</b>	<b>11 520,- Kč / year</b>	<b>91 080,- Kč / year</b>	<b>102 600,- Kč / year</b>

One regular monthly meeting is already in place. The concept of applying this research's recommendations during these administrative operations might be an interesting costs saving solution as outlined in the table above.

## 2.9 Geography of over-pledged and overfunded projects on Kickstarter crowdfunding platform.

### Yaroslava Turchinyak

**Abstrakt:** Jedno z hlavních zaměření této práce je rozebírání geografie přispěvatelů a také majitelů projektů inzerujících na crowdfundingové platformě Kickstarter, která propojuje umělce nebo zakladatele s přispěvateli. V praktické části, je použita metoda pozorování a navazující analýzu z dat získaných ze serveru kickstarter.com. Pro tento rozbor byl použit program import.io pro lepší pochopení geografických spojitostí projektů, obnosem potřebných příspěvků, celkově dosažených příspěvků a počet přispěvatelů..

**Klíčová slova:** Crowdfunding, start-upy, přispěvatelé, internet, kreativní projekty

**Abstract:** One of the main focus of this essay will be examining a geography of backers and creators of projects from crowdfunding platform Kickstarter that connects artists/founders with backers. In the practical part, the method of observation and subsequent analysis of data from data source website kickstarter.com by using program import.io in order to understand the geography of projects, amount of pledged and needed for funding a project money, number of backers.

**Keywords:** Crowdfunding, start-ups, backers, internet, creative projects

#### Introduction

Everyone, from time to time, dreams or wishes that they will only do what they enjoy. The reasons for starting their own business are different, but not everyone who has already begun, might not have sources, for instance, financial sources for running a business. Funds, therefore, make business start. One of popular way to get external financial support is crowdfunding, which is a modern way of fundraising for projects. This method of financing is increasingly used between start-ups, and by the years, it is still growing. It is especially useful when a person has a robust social network, which can help a person to fundraise faster and more effectively. This new type of fundraising takes person's existing online groups/community and turns them into supporters. That is why it's trendy; it's in popular media and it works. In this case, crowdfunding is the easiest way to raise support for a project or business. As the internet reduces many of the barriers in geography and communication, it makes it possible for business people to communicate all over the world.

Inventors, artists, and filmmakers post their ideas, and funders will chip in a few dollars to make something happen. As crowdfunding is still growing and makes gains in popularity, the fight for page views and pledges has become very competitive, especially on web sites, which feature thousands of live projects at once. Today, there are a lot of websites, where it is possible to post projects. However, all sites are not created equal. Some of them are focused and specialized on non-profits, or in specific type of products; others offer consulting services in addition to sourcing funding. So this is making it harder for creators to choose the correct one. All these models will be mentioned in the theoretical part of this essay. The most popular and one of the first crowdfunding platforms is Kickstarter, which will be considered as well.

Kickstarter's striking feature, like "crowdfunding" itself, is the broad geographic dispersion of investors in early-stage business. The examples of the number of recently on-going

projects will be shown in order to see the geography of projects and backers. That's why one of the main focuses of this essay will be examining the geography of a project's backers and creators and from Kickstarter that connects artists with backers. The data will be extracted from an Excel table with the help of an import.io tool and will be sorted by criteria such as: geography of project, amount of funding pledged and the amount still needed, and the number of backers.

### **Theoretical part and methodology**

Before starting with the Kickstarter platform, it is necessary to explain a few definitions regarding to communication and crowdfunding itself. Crowdfunding is a method of fundraising with a help of social network. New technology for communication is clearly reveals a major impact on the way interaction between people, not just for personal needs, but also for a business. As Baym (2010) adds that one never had so many options for interaction channel as today. Internet communication is a phenomenon at the moment and its significance and popularity continues to soar. Internet as one of the medium, brings together a large number of people, despite the geography of users, because this type of media presents a variety of communication options (Vysekalova, 2014, p. 72). Modern technology offers its users not only direct communication, but also to discuss, share views and shape the community. And on this logic is built crowdfunding platforms.

People can receive feedbacks, improve its services and products by using a social media, but an essential condition is the involvement of consumers. The definition for it is consumer engagement (Evans, McKee, 2010). The whole process of involving consumer includes four stages (Evans, 2014):

- Consumption. The first level or basic block applies to every consumer on the internet, and has the strongest effect. The content of consumption is about social media, or about everyone who downloads, reads, watches and listens to digital media (Evans, 2014).
- Creation is the second block. In this stage user of Internet has to create some content or material, which will be commented, changed or shared by other users.
- Curation. This block refers to the care of the content itself and its administration.
- Collaboration is the highest level of consumer engagement. It applies on people or groups, who actively communicating and exchanging information in order to achieve the same goals.

The last step in this process is important not only for ordinary users on the Internet, but also for entrepreneurs. Specifically, collaboration is one of the most important aspect and crowdfunding, because it works on the same logic and system. There are a lot of definitions of what crowdfunding is, but generally it is the practice of funding a project by raising money from a big number of people who each contribute a relatively small amount, via the Internet (oxforddictionaries.com, 2016). Crowdfunding provides a method for artists and entrepreneurs to fund their projects, potentially facilitating gains from trade that would not otherwise occur. How is it working? It working by enabling some funding increments (sometimes as low as \$3) through social platforms that allow funders to communicate with each other as well as with funding recipients, comments and discuss. However, there are different models of it (Young, 2013, p. 51):

- Equity-based. It is model when funder can be a shareholder of a company (syndicateroom.com, 2016).
- Debt-based. Regard to way where lenders receives a debt instrument which pays interest return and are able to provide needed debt financing and the lender (crowdfundinsider.com, 2016).
- Reward-based. It means that the funder receives some rewards (for instance, new products a reward), but do not have share in a company (crowdfundinsider.com, 2016).
- Donation-based. This model enables to source "dollars" for a business/project by asking contributors to donate an amount to it. Funders cannot obtain any ownership or rights to the project, and they cannot become creditors to the project (investopedia.com, 2016).

All models more or less are based on communication and collaboration between users. That's why it is important for founder to understand all these definitions and to choose the best model for project to achieve goals.

Nowadays there are a lot of platforms, but one of the donation- based model example and the best known one is Kickstarter. The real acquaintance of the concept of crowdfunding came from exactly the launch of specialized platforms such Kickstarter, which allows artists and entrepreneurs with great ideas to offer "benefits" or "reward" in exchange for cash or that offer incentives to investors in exchange for their financial support (Schroder, 2015).

Kickstarter was launched in 2009 and since that have become one of the most successful crowdfunding platforms (kickstarter.com, 2016). From that time, it raised a lot of projects, and it consist of enormous community built around creativity and creative projects. So there are a lot of opportunity to meet backers, to receive feedback, no matter where people are. This platform erases geographical barriers and gives chances to everyone. One of the most striking feature of "crowdfunding" is the broad geographic dispersion of investors in projects and start-ups. The next part of essay will show some statistical data regarding to geographical location, amount of backers and others.

## **Methodology**

In order to collect information in theoretical part, the data were collected from secondary and primary sources. The publications, professional article were used as a secondary source. Essential part of this essay also consists in obtaining available information relating to crowdfunding in general, and consequently Kickstarter platform. Research was done by key words in Google Books on the Internet. By using this method, the list of the literature which dealing with selected topic, has been compiled.

For analytical-practical part data were downloaded from the website kickstarter.com through import.io program which allows to use program for free and exporting data from any website to an Excel spreadsheet (import.io, 2016). By using filters, sorting and filling the data, the tables with different information were created in order to take a look on geography of projects, amount of money pledged, percentage funded. Research was based on total 509 on-going projects in the design category from 05.02.2016 and for essay were selected projects that funded more than 100%. Currency of some projects were not in American dollar, so all of them were converted according to the current exchange rate from 02.05.2016.

## Analytical - practical part

Kickstarter is one of the first most successful platform for crowdfunding. Since 2009 they have raised a large amount of projects and small business, help hundreds of ideas maker to make dreams true (kiskstarter.com, 2016). It has built special community of developers, artists and designers and creator, who have been given an opportunity to share it with a community of backers. And the valuable feature of it is of crowdfunding is the great distance between them.

In order to have objective parsing of data, projects are selected by category "design" and in condition "on going". If to take a look on the table in appendix 1 Statistical data of projects, amount of ongoing project in section design are 105 that were pledged more than 100%. The absolute most successful projects, which funded more than average percentage (from 437%) are 29 and below 437% are 76.

Based on the table and adding few more column, picture in appendix 4 Countries of projects above 100% was create (full table is available in appendix of this work, appendix 2 Countries of projects above 100%).

From the picture it is easy to understand that USA took first place in two criteria in the same time (Top 10 by %, Top 10 by \$). And state California is absolute winner. Nevertheless, everyone has an opportunity to fund projects, as it is seen that projects came from different part of the world. And counties such as The United Kingdom, Germany Canada and Japan are in best the 10 projects from two criteria (appendix 2 Countries of projects above 100%).

If to take a look on numbers and the kinds of projects, most of it will be from USA, but Germany is taking first place, UK is just on twelfth place (appendix 3 The best 20 projects). By sorting projects by criteria pledge amount of money 1st place takes Japan, and straight away Canada.

Next step was to see from where backers, who funded for projects, came from. By using filter in the table from appendix 2 Countries of projects above 100% and appendix 3 The best 20 projects in the appendix, the best five projects from two categories were selected. The two projects later were randomly taken (but from different countries). The first one was Air Bonsai, from Tokyo (Japan). Air bonsai is innovative product from Japan. Most of it is bonsai, which is working on levitation.

Picture 1 Air Bonsai product presentation



Source: printscreens from kickstarter.com (2016), own processing

With motto “create your little star” projects had 3260 backers by the 2nd of February 2016 (kickstarter.com, 2016). If to take a look on map with geography of backers, it will look like on picture 2 Geography of backers for Air Bonsai.

Picture 2 Geography of backers for Air Bonsai



Source: data from kickstarter.com (2016), design from map1.maploco.com (2016), own processing

The second project was Prepd Pack- The Lunchbox Reimagined USA (San Francisco). It is lunchbox with modular system of containers a with smart magnetic cutlery and with additional feature as app, which is counting calories, nutrition and has information about balanced diet (kickstarter.com, 2016).

Picture 3 Prepd Pack product presentation



Source: printscreens from kickstarter.com (2016), own processing

Projects had 8935 backers by the 2nd of February 2016 (kickstarter.com, 2016). The geography of backers is available in appendix 5 Geography of countries for Prepd Pack.

It is an incredible number of countries, which take a part in fundraising a product. There are other aspects and tools to make projects successful on a Kickstarter, but it is easy to see that platform like this do not have geographical barriers for both sides, for backers and

for projects founders. It is not just allowing people from all over the world to post their projects, offer translation tools and integrate systems that can handle a lot of different currencies. Kickstarter both sides of projects (investor and founder) doesn't have to see or meet for them to be able to chip in. Technology made it possible to happen and Kickstarter has leveraged technology to bridge a gap in financing and communication.

## **Conclusion**

Technology development and commercialization have changed people's lives in communications, trade and business. The Internet has a borderless characteristic, that's why in modified global interconnections, it allows easier, quicker and cheaper international access. At the same time, it offers its users not only direct communication, but also, an opportunity for discussing, sharing views and shaping the community. It makes connection to the definition consumer engagement. The last stage collaboration, which was described in the theoretical part of essay, is one of the most important aspects of crowdfunding, because it works on the same logic and system. It gives an opportunity to entrepreneurs all over the world to exchange opinions, receive feedbacks and improve services and products. For start-up companies, it gives priceless experience, and crowdfunding makes funding easier. That makes it possible for start-ups and individuals who would have been unable to get the money before, to start or continue running their projects.

One of the most famous crowdfunding platforms, Kickstarter, was the main focus of the practical part in terms of geography of projects and backers. It easily breaks all geographical barriers that may hinder business innovation, investment and funding. However, one important aspect of it is that it raises creative projects. Platforms such as Kickstarter allow people, no matter where they are located, to post their projects, get feedbacks on products/service, find investors and finally raise a project. Sometimes, a situation can happen where a pledged amount and amount of money they have asked is doubled, which is considered as absolute success for founders. In the practical part there was a list of fundraised projects, which pledged more than 100%. The geography of projects was incredible. It included not just the USA, but also the UK, Germany, Ukraine Taiwan, Canada, France, Japan, Malaysia, Australia, Switzerland, Belgium, Spain, Israel, China, Singapore and Sweden. The same geography was for backers. That proves that crowdfunding platforms such as Kickstarter do not have geographical barriers for both sides, for backers and for projects founders. Technology has made possible for almost everyone to make their dreams come true. And no doubt this type of crowdfunding perfectly suits not just to ordinary or normal project, but to creative ones.

Anyways, for some people, it is just numbers of backers and funds, but for others, it is a great opportunity to develop and show to the world their "idea". Crowdfunding is making dreams all over the world possible. Even some domains say this literally: "crowdfunding your dream"

([crowdfundingyourdream.com](http://crowdfundingyourdream.com), 2016), because to run a business is equal to the dream for some people.

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## Appendixes

### Appendix 1 Statistical data of projects

Amount of project	105
The lowest pledged amount vs The highest	26\$ (239\$) vs 621024\$
Average amount	56.136,86\$
The lowest % funded vs the highest	100% vs 2542%
Average %	437%
Amount of projects under 437%	76
Amount of projects above 437%	29

Source: data from kickstarter.com (2016), own processing

Appendix 2 Countries of projects above 100%

	Amount of projects	pledged more AO	Above OA %	Top 10 by %	Top 10 by \$
USA	67	15	18	9 (5 from CA)	7 (5 from CA)
UK	6	2	2		1
Germany	5	0	3	1	
Ukraina	1	0	0		
Taiwan	1	0	0		
Canada	9	5	2		1
France	2	0	1		
Japan	1	1	1		1
Malaysia	1	0	0		
Australia	4	2	1		
Switzerland	2	2	0		
Belgium	1	0	0		
Spain	1	0	0		
Israel	1	0	0		
China	1	0	0		
Singapore	1	1	1		
Sweden	1	0	0		

Source: data from kickstarter.com (2016), own processing

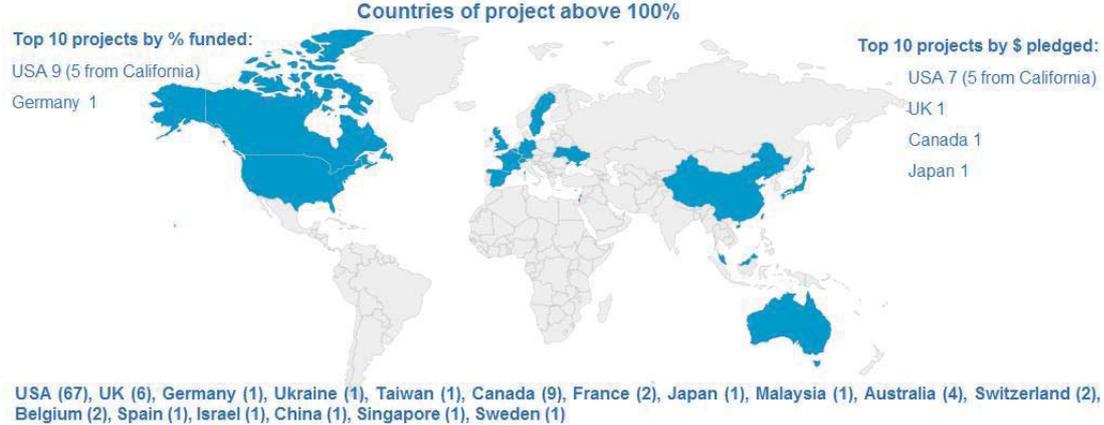
Appendix 3 The best 20 projects

Place	Funded	Pledged	For how much they ask	Backers	Name of project
New York, NY	627%	50175	8000	609	microscape   Architectural Cityscape Models
Deutsch, Germany	682%	7644	1000	202	FULL CARBONFIBRE KEY ORGANIZER AND KEYCHAIN
Vancouver, Canada	721%	360662	50000	2822	Ruggieâ,,ç - The World's Best Alarm Clock
Tokyo, Japan	776%	621024	80000	3260	Air

					And Prepd Pack   Create your "little star"
Pleasanton, CA	804%	160899	20000	1742	GRIPBELL   Versatile Grip, Workout Differently
Downtown Toronto, Canada	813%	81317	10000	697	The 1st Aviateur's - Flyback Chronograph Pilot watch
London, UK	874%	76110	8640 (it was in £)	1881	MICRO - The MOST beautiful minimalist wallet EVER!
Tucson, AZ	937%	9362	999	167	Cinchy 2.0 - Carbon Fiber Belt System
San Diego, CA	1073%	39720	3700	611	Binary Titanium Key Carabiner   Safety Gate   Bottle Opener
Brooklyn, NY	1203%	481543	40000	1505	Redefining Swiss Automatic Watches by LIV
Chicago, IL	1253%	62657	5000	2800	TPT - Titanium Pocket Tool
Los Angeles, CA	1253%	12537	1000	547	Cable Carousel - An Elegant Cable Organizer
Nashville, TN	1294%	6474	500	125	The Firefly Ring Collection - By Norwood's of Nashville
New York, NY	1375%	82505	6000	1851	The World Metro Map
Miami, FL	1431%	35787	2500	514	Apex Camping Shelter & Hammock Camping Tarp for Everyone
Redondo Beach, CA	1784%	267723	15000	7412	MOGICS Power Donut & Bagel - Share the Power, Save the Space
Los Angeles, CA	1787%	268187	15000	2102	KP Duffle - The Ultimate Travel Bag
San Francisco, CA	1936%	484154	25000	6935	Prepd Pack - The Lunchbox Reimagined
San Francisco, CA	2236%	223610	10000	11330	BULLET   World's Smallest LED Flashlight
Berlin, Germany	2542%	28478	1000	406	Lini cube - Next Generation Educational Toy Building Blocks

Source: data from kickstarter.com (2016), own processing

Appendix 4 Countries of projects above 100



Appendix 4 Geography of countries for Prepd Pac



Source: data from kickstarter.com (2016), design from map1.maploco.com (2016), own processing

## 2.10 Content personalization in customer relationship management

**Kamil Vašák**

**Abstrakt:** Cílem této práce je uvést čtenáře do problematiky personalizace obsahu ve vztahu k řízení vztahů se zákazníky. Dále je cílem ukázat tuto problematiku na nové nákupní síti Beneteam a její komparaci s obecným již hotovým nástrojem. V teoretické části této práce je využita metoda literární rešerše v oblastech personalizace obsahu v již publikované odborné literatuře a případových studiích. Poznatky teoretické části jsou využity v praktické části, kdy je provedena komparace služeb z poznatků teoretické části.

**Klíčová slova:** personalizace obsahu, personalizace webu, personalizace emailů, sociální sítě

**Abstract:** This thesis discusses the use of personalization content used in customer relationship management. This modern trend in marketing can be understood in every aspects of communication with customers. Although this trend is in its infancy, it is an essential component for effective communication. High personalization can be found today in the biggest social networks. However, this trend is gradually shifting into overall approach marketers using in customer's communication. This thesis gives reader's insight into the way the implementation of personalization, as its individual parts, as a practical example of new shopping network Beneteam.cz and its comparasion with prepared tool from Telerik company.

**Keywords:** content personalization, web personalization, email personalization, social networks

### Introduction

For the past ten years, the line of communication between customers and the seller of goods or provider of services, has radically changed. Huge influence on this relationship caused new form of communication through social networks. Through social networks customers finally are gaining a voice and can communicate with the seller on both sides in a massive scale. If we look at the very beginning of the largest social network Facebook, there were no implementation of personalization. Soon, Facebook engineers understand that it is necessary to direct users to content that is genuinely interesting form them and with that achieve greater comfort and loyalty of users.

To better understand the importance of personalization we need to focus on marketing strategy when the customer is the center of attention. Comparing to other strategies this approach does not see customer as "unified", but understands that everyone has their own needs, experiences, desires and expectations. Another integral part is the understanding that any customer on a daily basis see many thousands of different ads, whether it is an online advertising in the form of banners, product placement in various programs or articles, or offline advertising in a form of inscriptions on cars, stores, billboards, etc. Over time, customers have learned to ignore such a form of promotion. Think about yourself, where you can find any brand and do you perceive it?

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Thanks to this overload of promotion customer will perceive your brand as a "one of many". The important thing is not to behave as other do, step out of the line and communicate through your customers like and want.

Content can be viewed in many ways, from the very addressing the customer's behalf (saying "Hello David") to provide content relevant to the user. This article will deal exclusively with content personalization, usable to gain more interest in retailer himself, its goods and services. Each personalization process always begins with the collecting of data, continued by analysis and only then it is possible to provide a relevant information to customer. This article therefore aims to cycle from the actual data acquisition to the personalization of content.

Content personalization is a domain of online marketing, where can be simply "tracked" the user's behavior. Thanks to data users / customers provide can be easily created a picture of what content, products, etc., we should offer to any customer. Although these data are valuable, by marketers are often neglected for various reasons, although their contribution to sales or any service is big.

## **Goals and method**

The goal of this thesis is to describe ways to personalize in relation to deliver content to customers. Furthermore, the objective of this study to describe that data and information are needed to personalize how they can be gathered, grouped and processed. Another goal of this thesis is to explain how personalization is carried out in the new shopping social network Beneteam.cz and comparasion this network with prepared solution.

In the theoretical part of this thesis is used method of research in the areas of personalization content in already published in the literature and case studies. These areas cover the actual underlying data itself, sorting and categorization and the overall process of personalization. The findings therotical parts are used in the practical part, which included a comparison of services in these areas.

## **The theoretical part**

The problem of personalization itself in marketing communications is extensive. This part applies to the decomposition of the overall problem personalization into parts, which will be explained in detail. First of all will be described a proces of personalization. Further attention will be paid to the actual information, along with their classification and categorization for subsequent content delivery. Attention will be paid to the current state of the use of personalization based on published studies.

CRM systems includes, among others, the customer databases, which Kotler, Keller (2007, p. 198) define as a set of data collected in the course of user transactions, registration, telephone interviews, data obtained by using cookies on web page and other forms of communication with customers. CRM system itself therefore contains valuable data, structured according to the needs of the organization. These data can be combined with personalization web content Mourlas, Germanacos define as „the process of customizing

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the content and structure of a Web site to the specific needs of each user by taking advantage of user's navigational behavior" (Mourlas, Germanakos, 2008, p. 5).

## **Content personalization process**

The very process of personalization can be divided into several steps. This procedure define Mourlas, Germanakos (2008, p. 5) using the definitions of personalization of Cingil et al. (2000), Blom (2000) and others, and divide it into three steps:

- 1) „Gathering data
- 2) Modelling and categorizing content
- 3) Analysis of collected data“

## **Information about customers**

For the purpose of the actual personalization we must have enough information about the users/customers. This is the first step of the personalization process according to Mourlas, Germanakos (2008, p. 5).

An important chapter of customer's information can be obtained from the web site traffic and user interactions. As a Germanakos, Belk (2016, p. 107) explain there can be several categories which includes gathering data. Germanakos and Belk also suggests that these information can be divided into "(i) Demographic information such as age, gender, language, education; (ii) geolocation information such as, country, address; (iii) interests and preferences; (iv) search history such as prior queries submitted by user, visited links, downloaded files; (v) browsing behavior such as mouse clicks, mouse movements, scrolling and bookmarking; and (vi) user actions such as bookmarking a Web-page, setting Web-site as favorites" (Germanakos, Belk, 2016, p. 107). It is important to remember that the customers do not want to spend time on filling in forms. Also asking the customers for their personal information is not suitable for building trust, unless it directly related to specific activities (e.g. filling order's form). Valuable customer data, however, can be obtained during using particular service. Karat, Blom and Karat explain that data provided by user can be divided as "Explicit" and "Implicit" based on involvement of users (Karat, Blom, Karat, 2004, p. 79).

- 1) Implicit – Karat, Blom and Karat explains that these the users provide based on his behavior (Karat, Blom, Karat, 2004, p. 79), e.g. click on the link, category in e-shop, or the putting a "like", writing comment, etc.
- 2) Explicit – Karat, Blom and Karat explains that these data are users providing by themselves (Karat, Blom, Karat, 2004, p. 79), e.g. suitable form is using the popular music service Spotify, where after registration asks a user the pick a performer listens to and accordingly determines not only specific music, but the musical style of the user.

## **Categorization of information**

The second step according to Mourlas, Germanakos (2008, p. 5) is modeling and categorization of data. The actual classification depends on specific group of users, which content will be delivered. According to this grouping Adomavicius, Gupta (2009, p. 16) then divides into individual and segmented:

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- 1) Individual personalization – according to Adomavicius, Gupta (2009, p. 16), this type associates data to the users themselves. Perceived a user as a single individual, watching what and when users are doing and what he is interested in. It is therefore generally greater decomposition of user interests (examples might be interested in specific products and assignment of these goods in the interests of users).
- 2) Segmented personalization – according to Adomavicius, Gupta (2009, p. 16) this type groups users according to their field of interest, which can be understood as personas. Examples of such persona may be users who enjoy skiing, biking and diving.

## **Current situation of using personalization**

Benefits of personalization itself Karat, Blom, Karat (2004, p. 127) show on the example of Nordic bank, which brought them: more loyal customers, more sales, increase of confidence from users and further benefits. For a better picture of how marketers helps to personalize the content, we can learn from the study conducted by Demand Metric Research Corporation in partnership with Seismic released in 2016. In this study, among others, marketers were answering the question of how to help them personalize content in their business. This study shows that marketers perceive the importance of personalization, 70% of them see personalization more than effective (Demand Metric Research Corporation, 2016, p. 10), but such use is still in its infancy.

The author of this article would like to mention a study conducted by Experian in 2013, which has been conducted as a study about new marketing trends and shows a six-times higher conversion of personalized emails compared to non-personalized (Experian, 2013). Also Experian they pointed out that "Personalized promotional mailings have 29 percent higher unique open rates and 41 percent higher unique click rates than nonpersonalized mailings (Experian, 2013)".

In a study of Demand Metric Research Corporation conducted in partnership with Seismic and released in 2016, we see an interesting comparison, why marketers do not use personalization. Mostly it is caused of non-cooperating IT department with marketing department. This study implies that 59% of respondents has problem to lack the technology or resources and 53% said that they do not have the necessary data (Demand Metric Research Corporation, 2016, p. 11).

## **The practical part**

The practical part deals with the implementation of the personalization in the shopping network Beneteam.cz, explains it in context of findings of the theoretical part and compares them with the tool Sitefinity from Telerik. As will be explained, the approaches of the two services are different. While Beneteam.cz is purely proprietary solution and builds on the high individualization of content, service Sitefinity is prepared tool designed to personalizing and builds on creating segments (personas). First will be given basic information about both services. It will also describe the actual process of personalization and content management of both systems and will be performed their comparison. The next section will be focused on the use of personalization in both services.

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## **Basic information about shopping network Beneteam.cz**

Shopping network Beneteam is a new social network on the Czech market, which is purely focused on shopping and trading. Introduced in March 2016 by software company iDomino a.s. Its focus can be placed over all areas of products and services. This network connects sellers of goods or providers of services with new potential customers.

The service is being built on the presentation of the such traders, their products and services to customers through a modern online environment. This presentation is being made through individual profiles of traders, categorizing these profiles into seller categories (e.g. clothes, sport, entertainment, etc.). This presentation is also being made through the main (entry) site, where the user has access to a feed of the content of individual traders (Beneteam calls it "Stream"). Among simple presentation of goods and services, this service allows the use of reference content and marketing for communicating between customers and sellers.

At first this service is being accessed to companies (current and former customers of iDomino, which includes several hundreds of big companies in the Czech Republic, e.g. the Czech National Bank, Strabag, Veolia group, etc.), which access them to their employees. For these employees Beneteam is providing benefits in a form of "Cafeteria". The added value for companies is that they can include this services in their benefit program free of charge and provide benefits (e.g. discounts, services free of charge) to their employees without spending money.

## **Information about content personalization service Telerik Sitefinity**

Telerik Sitefinity service is a representative of tools that can be used as a prepared tool for customizing web and email campaigns. Among the customers of this service can be placed, according to the website services (Sitefinity, 2016), ABB, BNP PARIBAS, Fujitsu and more than two thousand of others. It is therefore a modern and highly used personalization tool. According to the documentation of the service (Sitefinity, 2016) this service builds personalization itself on creating of user segments (which can be understood as described above personas), that are defined by the administrator of final web pages and then deliver the defined content to assigned segments.

## **Content personalization process**

An integral part of this service is personalization of content for users. Content is customized throughout the lifecycle of a user with respect to all objects (profiles of sellers, products, benefits, etc.) in this system. Whether the user is signed in or not, the service is "watching" all user actions and these actions are used to provide content according to the user's interests. The service uses an iterative approach to understanding the user and combines segmented (personas) and individual personalization. All this information are accessed using cookies (data stored in the user's browser, which helps easily identify users when returning). And how is this process being performed?

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- 1) In the first stage, when the user enters for the very first time, the service knows about the user only a small amount of information. Specifically, the geolocation information, information about the device and very rude users' interest (if the user enters via a referring page). Combining these elements can create a rough idea in which category can user be classified. At this point started archetypal classification, according to the categories defined by Beneteam. Examples of these archetypes are people who like: sports, visiting theater, are interested in cooking, etc.
- 2) User actions are constantly being watched, not only in context of displaying of individual pages (profiles), but also with user interaction within these pages. Generally, these actions may be categorized: move between pages, interact with social elements (e.g. "likes", sharing, commenting, marking the site by user to follow), interaction with the page (time spent on the site, reading time of post, viewing products, etc.). All these events are not only being tracked in context of single user, but the measured values are compared with others, ensuring a continuous learning mode of the whole system. All these events are being sent for analysis and according to algorithms, developed by Beneteam, are being processed.
- 3) After analyzing customer behavior and interests service creates a list of objects in the service to which the user has a relationship. Based on this analysis, when necessary (on demand), is being assembled relevancy rank to any object in the service.

Telerik builds personalization on delivering content according to user segments. According to the service documentation (Sitefinity, 2016), the very process of personalization is based initially on the defining user segments which includes users characteristics, creating different versions of content and creating email campaigns by administrator of a website himself and its delivery to users. This process Sitefinity calls "Personalization Workflow". According to documentation this proces is divided into 4 steps (Sitefinity, 2016):

- 1) "Segment your visitors " - service defines segments as follows: "Segments represent your target audience types, or groups (Sitefinity, 2016)." According to the documentation service (Sitefinity, 2016), these segments are created based on user characteristics, which are divided into: visitor behavior, demographics, user advance of visit and more. To make a example of creating these segments also shows a practical example, which includes the following parameters (Sitefinity, 2016): Location - Reside in the US, Role - Developer, search keywords - best, productive, laptop, visit - Best laptops for 2015.
- 2) „Personalize the presentation“ - according to documentation (Sitefinity, 2016), this step is used to design content to be personalized (for example a main website page or only a part of page). This step also is used to assign a specific content to each segment, which be displayed to user.
- 3) „Preview the experience“ - this step serves to validate the displayed content before it is finally published (Sitefinity, 2016). Website administrators can thus verify what content will be delivered to which segment.
- 4) „Track and analyze the results“ - according to the documentation this service includes a measurement tools for „website traffic and marketing effectiveness (Sitefinity, 2016)“. These tools are used to evaluate the actual results and effectiveness of a particular segment and content.

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The approach of both services can be seen as very different. While Beneteam.cz builds on the high individualization and creating segment is only a first step of discovering user, Sitefinity service simplifies the process to creating user segments and assign the content to them. Attitude of Services Sitefinity is logical, the service is being developed as a universal tool and high individualization would bring greater decomposition user's interests. This could, however, také in increased demands on implementation (together with maintenance) and thus its affect costs. On the other hand Beneteam.cz service is developed as proprietary solution, backed by a team of programmers and marketers, intended to develop this one service. Personalization is therefore seen as one of the key features of the system and competitive advantage. Sitefinity service is relatively undemanding tool, but it can be used in small and large projects.

## **Content management based on information**

Beneteam service includes tens of thousands of objects to which the user have access (whether it is the actual profiles of sellers, their products and services, or benefits). Along with the use of high individualization of content is displayed to each user "other" content. For this purpose Beneteam has developed a proprietary form of ranking objects, which is based on several components which consider not only the user's interests, but the entire system. The rank consists of several main parts:

- 1) Relationship to a single user - this relationship is determined on the basis of actions and expressions identified for single user. User is perceived as a constantly evolving and therefore relationships are not constant.
- 2) Relationship to the group of users with similar interests - this relationship extends the relationship to the user and uses the interests of other users whose behavior pattern is similar.
- 3) Relationship to the entire system - the relationship determines how content is appealing to a general audience and determines the "hot" items, i.e. how the item is appealing to other users.
- 4) Time aspect - Beneteam realizes that individual items (example can be a post from individual seller) in time become obsolete and therefore the service is always trying to provide the latest content.

Combining these parts with the weight of each part can be assembled relevancy rank at any time over all objects in the system Beneteam to specific user.

On the other hand, service Sitefinity accesses to users based on their similarities. As already mentioned, the determination of the content is carried by the assignation of the user to the segment (Sitefinity, 2016). By segmentation, service selects the content "suitable" for the customer, which appears on the Web site or is delivered to their mailbox.

In this case, can be seen a significant difference in the approach of these two services, which are based on the personalization process itself and the degree of segmentation. While Beneteam.cz assigns primarily interests primarily to users, Sitefinity is using opposite approach, thus assigning a user to the relevant interests (content).

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## **Use of personalization in communication with customers**

The actual personalization services use both for the same purposes. Specifically, the website content and email campaigns. Email campaigns in this case represent a mail message, sent by users. The purpose of such e-mails may be informing customers about new products and bringing them back to the website for subsequent conversion.

Usage of personalization within Beneteam.cz web portal is a adjustment of items of news (that the user can view) or when searching for products and services. These news (posts vendors, products, etc.) are filtered to the interests of users and ranked according to the method described assembling rank described in the chapter "Content management based on information". In the case of Sitefinity it is about a modification of entire pages or parts thereof, when this process can be applied to any Web page.

In the case of sending e-mails, Beneteam.cz informs its users about news. This e-mail message contains, among others, new products, services and contributions, which have the potential to lead him back to website. These e-mail messages are governed by that interest users and each user thus obtain another content. In opposite Sitefinity Service (Sitefinity, 2016) builds e-mail communications on campaigns that are based on user segments, called as "subsribers list". Each user therefore obtain contents, according to his assignment to the specified segment.

## **Conclusion**

Personalization is a very important part in communication with customers and thus in control of its relationship to the organization. As demonstrated in this article, accorind to effective Demand Metric Research Corporation (2016, p. 10), more than 70% of marketers understand the importance of such personalization, but most of them are not using yet for various reasons. The biggest reason can be seen in very poor cooperation of IT and marketing. It is therefore up to the future when this will be more and more used approach. Personalization content may, however, be not only time consuming but also expensive, but it depends on the way and extent of such usage.

The very process of personalization may vary according to the organization, but the basic process is always similar. It begins with gathering of data about users, then running their evaluation and categorization before it can be accessed to the actual delivery of personalized content.

As demonstrated in this thesis, one possible solution is to use prepared solution, which is represented in this thesis by service Telerik Sitefinity. Another way is to create a custom solution to meet the needs of the organization, which in this thesis represented by the author's solution used in shopping network Beneteam.cz. The use of such tools is many, for example, may be an actual display content on a page when it is accesed by user, or at the very form of direct marketing communications.

The results of the comparison of these two services is such that both services is based on contradictory approach to categorize the user's interests. While service Beneteam.cz perceives a user as a single individual, and assigns him his interests, Sitefinity service

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groups users according to their interests into segments. Both of these approaches represent degree of decomposition of user interests. In the case of Beneteam.cz thus a greater decomposition, and this approach is generally difficult more to perform compared to user segmentation.

As already mentioned, personalization of content is on the rise and the author's recommendation is to implement such an approach in communicating with customers in the shortest time. Zuzák (2011, p. 24) states that a quick reaction to changes and applying new technical solutions takes advantage of the first step. This work has shown that these tools already exists (represented in this thesis by the service Sitefinity) and its implementation is such a big problem. This approach will enable organizations to not only differentiate from the competition, but will help build greater customer loyalty to the brand, their products and services.

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## 2.11 Modern trends in personal and social development of employees

### Miroslava Vokounová

**Abstrakt:** Cílem této práce je nastavení jedné z personálních oblastí zaměstnanosti, konkrétně správného a efektivního osobního a sociálního rozvoje zaměstnanců tak, aby pomohl společnostem udržet se v této oblasti - coby zaměstnavatel i firma - konkurence schopnými na daném trhu a být současně v souladu s moderními trendy ve vzdělávání zaměstnanců. Autorka se po představení rozvoje jako takového, věnuje dále detailům a historickým faktům na dané téma. Za tímto účelem použila autorka jak odborné znalosti z vědeckých článků, odborné literatury a veřejných průzkumů, tak zároveň využila přístup k detailnímu nastavení systému rozvoje pracovníků společnosti XYZ, která je v posledních letech jedním z nejpokrokovějších a nejúspěšnějších zaměstnavatelů právě i díky svému přístupu k zaměstnancům a moderní metodě v oblasti vzdělávání, jejíž výstupy mohou sloužit jako příklad ostatním ambiciózním společnostem. Práce tak pojednává především o moderních trendech v oblasti vzdělávání zaměstnanců ve světě, tedy včetně České Republiky.

**Klíčová slova:** Personální rozvoj zaměstnanců, sociální rozvoj zaměstnanců, řízení a rozvoj lidských zdrojů, nové trendy ve vzdělávání, motivace, komunikace

**Abstract:** The aim of this work is a setting of one of the personnel employment areas, namely a proper and effective personal and social development of employees in order to help companies to be in this area - as an employer as well as a company - competitive at market and to be simultaneously in line with modern trends in employees's development. The author, after an introduction of an human resources development as such, pays attention to further details and historical facts on the subject. For this purpose, the author has used both the expertise of scientific articles, literature and public surveys as well as her access to a detailed development system settings of the company XYZ, which is one of the most innovative and successful employers in recent years and thanks to its approach to employees and modern methods of education, its outputs can serve as an example for other ambitious companies. So the work deals primarily with the modern trends in education of employees worldwide.

**Keywords:** Personnel development of employees, social development of employees, management and human resources development, modern trends in education, motivation, communication

### Introduction

This work deals with personnel and social development of employees. Also its ambition is to become a kind of handbook for progressive employers who are looking for the latest, but proven and functional methods of a development of their employees, allowing them to keep the right people in the right positions and to be competitive company in the

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marketplace. Among others, it discusses a given system of the XYZ company, which, as an employer, ranks among the absolute leaders in the approach to the employees, their training, development and motivation. Company XYZ employs a team of experts and specialists in education, has its own company university and many other development tools and applications, which are described and closer specified in this work. A very significant role here plays also a corporate culture and its communication which is crucial for understanding and setting the right employee development system.

The theoretical-methodological part is devoted to the analysis of the work of professional publications and articles on the topic. The author discusses the issues of social and personal development from its history and development to the current situation so that it is intelligible for a reader so he is able to understand the subject the work deals about. The author also mentions the used methods.

The practical part introduces a reader with accessible results of surveys and researches on the topic of human resources development and education of employees as such. In this part, the author also discusses the current system settings development of employees in the specific company. The author also describes important factors that need to be addressed when changing the current system or setting up a new one to make it functional for other companies, to be "trendy" and sustainable. Thanks to the findings, which the author has achieved in his work, she tries to achieve the above mentioned objectives of this work.

## **Theoretical-methodological part**

This part defines the topic, which deals with, so personal and social development of employees. The author summarizes the history of the human resources development as well as the current situation and modern trends that is needed to monitor and adapt them a stance of companies so that their development systems are functional and the companies are still competitive and sustainable in the market. For the definitions the author has used professional literature and articles so that reader is familiar with basic concepts and important details so he can well understand the topic and its purpose without any problems.

## **History of the human resources development**

### **History in a theory**

Already in the start of 20th century in his book Principles of Scientific Management Frederick Winslow Taylor (1865-1915) deals with management principles, which consider an employee as a human being, which is necessary to develop and motivate, not only as an automated machine used to reach a profit. As reported by Štrach (2008, p. 11) the representative of this new direction - Management as a science, discipline and studying purpose area - F. W. Taylor is called the father of management (hence the term Taylorism). Closer to the empirical studies also focuses Tureckiová (2004, p. 13), which states that according to Taylor, can improve the efficiency of activities of employees:

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- New management system in the workshop with clear lines of reporting
- Normalization of working conditions and optimization of individual operations based on the principles of work divisions and specialization
- Determination of the daily task
- Correct job creation
- The introduction of piecework wages
- Correct recruitment, training and monitoring of workers

According to the author listed above Taylor founded the four main principles of scientific management, right on the above assumptions, concretely:

1. The development of true science of management - using the methods of measurement and observation, and their following description of the means leading to lachieve optimum performance
2. The professional recruitment of workers - according to not only the physical requirements but also the ability and willingness of workers to acquire the required action
3. The scientific training of workers - led by managers
4. The preferring of collaboration between managers and workers (positive atmosphere, conflicts as undesirable)

Soon began to explore the new direction of management of human relation which emphasizes that employees are also treated depending on the social and psychological attributes with that one of the most prominent successors in this direction were in the 20th century Elton Mayo (1880-1949) and Douglas McGregor ( 1906-1964) (Štrach, 2008, p. 14). According to the stated author, it was McGregor who was more focused on the human side of employees and a company. He describes in detail his theory X and Y which is shown in Figure 1.

Figure 1

Assumptions Theory X and Theory Y of Douglas Mc Gregor

<b>Theory X</b>	<b>Theory Y</b>
People work just for money, don't like their work and try to avoid to that.	People work with pleasure, it's their nature
People must be forced to work under penalty	People prefer to be managed and controled by themself, do't like working under pressure
An average employee avoid to responsibility, wants to be managed, isn't ambitious and requests mainly a precaution	An average employee likes and searches for responsibility, in work he/she is creative and inventive
People avoid to changes and are interested just for their own benefit	Potential of an average human is used by a company just partialy

Source: Štrach (2008, p. 15)

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## History in practice

Nevertheless all the studies and inputs to the theory of organization, which is dedicated in the previous chapter of this work, greatly influenced the approach to sociology and psychology in the workplace, which hadn't been regarded as important factors for organizational effectiveness until that time (Tureckiová, 2004, p. 18), there was not still well knowing the impact on business practices.

Tureckiová (2004, p. 18) in her publication describes that after the Second World War continues a developing of approaches to effective management, the most frequently mentioned and solved is right the social-psychological attitude, because, and this can be supported by current trends, their impact in practice is very significant. The author thus further states that employee motivation, effective leadership, the study of labor relations in teams and last but not least, employee development are key to gain and retain of very loyal and efficient employees and their development is really meaningful for the organization.

There is also surely necessary to mention that thanks to the authors of the first conclusions of scientific theories that are mentioned above, according to the Tureckiová (2004, p. 26), the following concepts arised:

- Arrangement formal organizational structures and systems, or rather styles of corporate management
- Management functions as a set of specific activities carried out by managerial employees
- Training of production personnel within organizations
- Management training and development of managerial competencies
- Styles of management and leadership in the organization
- 

Therefore that are concepts that have moved much closer to simultaneously exploiting trends and can be a practical tool when setting up the management and human resources development system of today.

## Personal and social development of employees nowadays

Development of employees, as well as human resources in general, is currently a very hot topic. This discipline helps companies to that employees properly understand the culture and objectives of the company, also to that employees are motivated and also to have employees educated and efficient.

With an exaggeration we can speak about the personal development of employees like about a creating a common future in respect of relationship employee vs. employer. When speaking about a social development of employees, it is a set of measures that are aimed at creating favorable working conditions and social needs of employees (Němec, 2002, p. 100). According to historical documents and surveys, most companies very well know now that the right motivational tools can help employers keep those employees who will work as business requires.

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## **Intellectual capital of a company**

It is the interaction of human, structural, and social capital. As reports the Managementmania.cz (2013), according to one of the main representatives of the area of knowledge-based management, Kerl-Erika Sveiby are three components of intellectual capital defined as follows:

1. Human capital - the skills, abilities and experience of people. This capital need not be captured in any way (it is hidden in their heads), but it is very important to make this capital firm shared and used. According Veteška, Tureckiová (2008, p. 28) are the human capital of knowledge and skills, combining social, personal and economic well-being and quality
2. Structural capital - know-how, patents, licenses, designs, software. Usually these are the accumulated experience of the company, which are used during normal operation and development of the company
3. Social capital - the loyalty of employees and customers, relations with customers

## **Motivation**

Motivation is one of the most important areas of human resources and is very needed to be engaged in it if company wants to have employees who achieve high levels of performance (Armstrong, 2015, p. 60). As author also presents the motivation works on strengthening and consolidating of an expected and meet the needs in certain ways, from which this satisfaction is expected. It is a constant cycle, but useful for additional motivation and the achievement of other objectives. Because it is right an unmet need, what motivates behavior in the right direction. It is therefore obvious that the motivation as such is one of the most important part of corporate training.

Classic motivational tools are benefits. This work deals closer about benefits in its practical part, however, it is worth mentioning that this is a motivating employees through contributions to a better working environment, lifestyle and last but not least the development as another kind of valuation except of wage. According to Armstrong (2015, p. 118) in his model, it has considerable role in motivating employees - more detailed in Figure 2.

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Figure 2

Total remuneration model according to Armstrong

<b>Pay</b> <ul style="list-style-type: none"><li>• Base pay</li><li>• Annual bonuses</li><li>• Long-Term incentives</li><li>• Shares</li><li>• Profit sharing</li></ul>	<b>Benefits</b> <ul style="list-style-type: none"><li>• Pensions</li><li>• Holidays</li><li>• Perks</li><li>• Flexibility</li></ul>
<b>Learning and Development</b> <ul style="list-style-type: none"><li>• Training</li><li>• On-the-job learning</li><li>• Performance management</li><li>• Career development</li><li>• Succession planning</li></ul>	<b>Work Environment</b> <ul style="list-style-type: none"><li>• Organization Culture</li><li>• Leadership</li><li>• Communications</li><li>• Involvement</li><li>• Work-life balance</li><li>• Non-financial recognition</li></ul>

Source: Businessinfo.cz (2016)

## Employee performance evaluation

When evaluating the performance of employees we talk about the process through which management can provide feedback on the objectives, but also helps in planning activities and focus on activities where the employee needs to improve its performance, including education (Armstrong, 2015, p. 82). If we want to effectively invest in human capital and human resource development while avoiding purposeless training, we must pay great attention on identifying areas of personal abilities and skills that should be developed focusing on targeted. The Figure 3 illustrates more detailed the evaluation process according Janišová, Křivánek (2013, p. 226)

Figure 3

Process of performance evaluation



Source: Janišová, Křivánek (2013, p. 226)

## **Company culture**

Each company has its own specific culture, which is presented both inside and outside the company. In essence, it is a setting common vision and goals of company as well as employees though they perform different positions at different levels. According to the Podaná, (2016) it is about shared ideology and values, shared philosophy and a way of perception. The Figure 4 shows Model of corporate culture, according to mentioned sources:

Figure 4

Model of corporate culture



Source: Podaná (2016)

## The used methodology

To process this work and meet its objective the author used the synthesis as the primary method, which integrates the necessary information and theoretical knowledge with practical outcomes, so results of the investigations and surveys. With this approach, the author identifies deeply the researched issue and may conclude a goal of her work. Next the author uses the methods of induction / deduction, semi-structured interview, surveys or researches and comparison, which the author specifies below.

For comparing of literary sources in the theoretical part, the author used a literature search. At first by studying of scientific publications in the field of development and education of employees the author has obtained the necessary knowledge that could be applied in the theoretical part of this work, so she can introduce the topic needed to understand the issue of this work to a reader by the most intelligible form. The sources of the literature were public library, Google Books or private source. For the practical part she used then secondary sources, ie websites, companies or individuals dealing with the issue.

The first subchapter of practical part is devoted to an investigation or surveys of secondary sources related to the education of employees while two are focused on the perspective of employers and their attitude and willingness to develop their employees:

- The first survey, by a questionnaire method, has conducted the Association of Adult Education in 2010. To the survey there were involved the providers of continuing education divided into 6 groups based the number of employees and further into groups according to regions of the Czech Republic. A total amount of respondents/ institutions participated were 53. In addition to the structure of further education

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providers were survey results analyzed in terms of results of answers to 5 questions which were designed to reveal the view of the education providers to a developing of their employees and possible financial assistance and two questions were focused on the needs and forms of assistance in staff development.

- Other online questionnaire survey called a Workforce 2020 was conducted by Oxford Economics and SAP in the second quarter of 2014. The survey, in cooperation with employers, have been participated by 5590 respondents, of which 2,718 were executives and 2,872 were employees in the field of consumer goods, financial services, healthcare retail, professional services and public service industries. The survey was conducted in 27 countries of the Asia Pacific, EMEA and Latin America regions and affected small and medium-sized enterprises. The survey questions concerned mainly the readiness of managers for the challenges of their employees in the field of education, as well as strategic vision, action plan vs. the opinions of employees.

Both of these surveys very clearly show progress between years when the surveys were conducted, and only confirm that staff development is a very modern trend of progressive companies.

Another two surveys focused on the employees themselves and their motivation in relation to development and education. Both took place in the last 2 years, so they are still comparatively recent and can testify about the trends of today. Here again it can convince the reader that the theory is very intertwined with practice.

- The first survey was performed by New Chapter Consulting Group, a leading recruiter specialising in the Consumer - FMCG, Retail & Medical sectors. On the survey there participated 300 candidates covering retail and FMCG markets where they were specified based on line of business (Marketing, Sales, etc...) and next indicator was also level of their position. The survey forms were sent to the candidates during December 2015. Main goal of the research was to answer how engaged and motivated are people at work, what do people value from work in FMCG and Retail sectors, if people do feel to be valued and if people do expect to change their jobs in 2016.
- The second survey carried out by an individual using a questionnaire method, ie. online questionnaire where the target group were employees generally, with that the secondary source has placed them on Facebook sites, Google, VypInto, Seznam and were also sent out to relevant sources. The number of respondents was 93. Specifying of the respondents is based a gender, age, education and positions. More detailed specification (percentage) is stated in the practical part of this work. Survey questions were focused primarily on employee motivation in relation to training and development, and on their perception of the current situation and possibilities for further development or the state in their current jobs.

In the practical part, the author also used the method of semi-structured interview, specifically with an HR representative of the XYZ company. The interview was focused on the topic of the education system in the company. The aim of the interview was to find out what the specific system is set up in the company and get the necessary data applicable to meet project objectives. The interview contained 8 questions that helped

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acquaint readers with the XYZ position in the market, with its stance on the development of its employees and with specific educational system that the company uses. Author has conducted an interview in person at the company headquarters, lasted 45 minutes and was recorded in the written form. The main questions the author has prepared in advance, but during the interview were adjusted and added based the situation and previous responses.

In conclusion, the author uses the method of comparison of the knowledge gained in the theoretical and practical parts as well as with the system that the author used as a model in line with modern trends. The author puts the result into the last chapter where she describes its output so that it can meet that goal of work.

## **Practical part**

The practical part focuses on modern trends in the development of employees through surveys of the situation of education at the market in the last 6 years. Next the author introduces reader with the educational system of the XYZ company, which is in the field of education and development one of the most progressive employers, and its settings can be used as a model for other companies

## **Modern trends and current development in the field of HR development**

### **Survey of opinion about the education of employees 2010**

Investigations was conducted by Association of Adult Education of the Czech Republic, o.s. (Žilayová, 2010) and its aim was to determine the view of education providers's to an approach of companies to a training of their employees, as well as the amount of the contribution to the further education of their employees and whether their approach to investing into employee training would affected the ability of a contribution in the form of discounts on educational courses. Purpose was spread awareness of the needs and opportunities for employee development through education and detection of possible obstacles.

Respondents were specified according to a number of employees where a percentage of institutions with 1-10 employees was 40.38%, 11-49 was 28.85%, 50- 100 was 17.31%, 101-149 was 5.77%, 150-249 was 0%, and more than 250 employees was 7.69% (Žilayová, 2010). As source also presents a further specification was into groups according to regions of the Czech Republic where the largest percentage (30.77 %) occupied Prague the capital, and the smallest percentage (3.85%) the Karlovy Vary Region and the respondents participating were 37 educational institutions, 13 schools, two business entities and one other.

Outcome of the investigation showed that the majority (80%) of small businesses (1-49 employees) educate their employees rarely or not at all, while less than 2% of the companies educate their employees mostly or regularly (Žilayová, 2010). For medium-sized companies (50-249 employees), there is visible a small progress in education vs. nevzdělávání in a ratio of 35% vs. 65% (Žilayová, 2010). It was also found that the contribution to employee training should be at least 50% to stimulate a support for further education (Žilayová, 2010). In case that the company would be able to obtain the financial

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contribution to the education of their employees on an ongoing basis, most employees would then be educated 36% in small and 54% in medium-sized companies (Žilayová, 2010).

## **Focus of employers on individual needs and modern technologies**

According to a survey conducted by Workforce2020 from 2014, which was attended by 5590 respondents from 27 countries, including the Czech Republic, the main trend of education is a development of personal skills (Oxfordeconomics.cz, 2015). As the source says, employers perceive much more than 5 years ago a need and returning on investment of funds into employee training, especially in language education and also ensuring of effectiveness studies that can be verified by an attested exam, attendance records, and so on.

According Oxfordeconomics.cz (2015), employers are primarily interested in educational programs for senior management, but there is also a substantial investment in talent programs and the development of line managers and middle managers, especially due to higher accountability and competencies of this type of management. According to the survey for several years at the forefront of holding a certified training courses and very positive taken seem to be types of academic programs (leadership, sales, etc ...) or talent management and under.

## **Employment trends and opinions for the 2016**

There passed the survey with the theme of Employment trends and opinions performed in December 2015 by the reputable recruiter New Chapter Consluting Group. The survey was carried out in the form of questionnaires sent to 300 candidates in the retail and FMCG markets where 35% of job functions were from Sales, 25% from Marketing, 15% from Retail, 10% from Operations and 13% from Technical area. As Newchapter.co.uk (2016) presents, the largest group of employees' level in the survey was in a middle management (40%) and the smaller proportion of respondents (5%) was in a non-managerial role.

As the output of survey there was found that Personal Development was ranked the highest above all other motivational elements as basic salary and other tangible Rewards (Newchapter.co.uk, 2016), more details shows Figure 5 below. However, as the source further states likely reason for this phenomenon is the current economic stability. In times of economic uncertainty, employees prefer more such benefits which promise security (like a pension plan, life insurance, higher wages, bonuses); conversely in periods of economic stability can be expected that factors associated with unemployment and insecurity retreat into seclusion and candidates are becoming increasingly aware of its value and focus more on development than on their happiness and security.

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Figure 5

What do People Value at Work?

Candidates were asked to rank in order of priority, what they value from work. The illustration below shows the results ranking from 1 (the most important/valued) to 7 (the least important).



Source: Newchapter.co.uk (2016)

## Attitude of employees to further education in 2016

As Vojtěchová (2016) presents, by using the questionnaire method, ie. online questionnaire where the target group were employees generally, while secondary source has placed that on Facebook, Google, VypInto, and Seznam web sites and has sent out them also to relevant sources, there were 93 respondents, and return of the questionnaires was 71, 5%. The source has specified the respondents as follows: 58% female / 39% male, also representing the highest percentage of employees aged 18-25 (49.5%) and lowest in the age 51 and over (4.3%). Next, according to education there occupy the highest percentage of high and university education of respondents (45 and 36.5%) and the lowest percentage of basic education (1%). According to profession are the most represented technical and administrative positions (45%) and the lowest management positions (14%). In her survey Vojtěchová (2016) has founded the following:

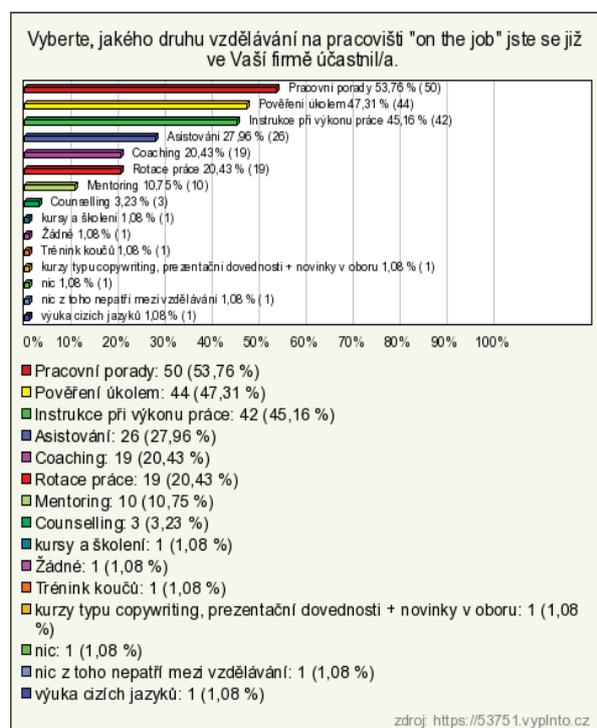
The employer supports their further education in the case of 60%, almost 80% of employees find further training / development work as important and motivating. According sources there was also revealed that the employers in a very similar proportion support their employees both through education "on the job" and "of the job", see more detailed in Graphs 1 and 2.

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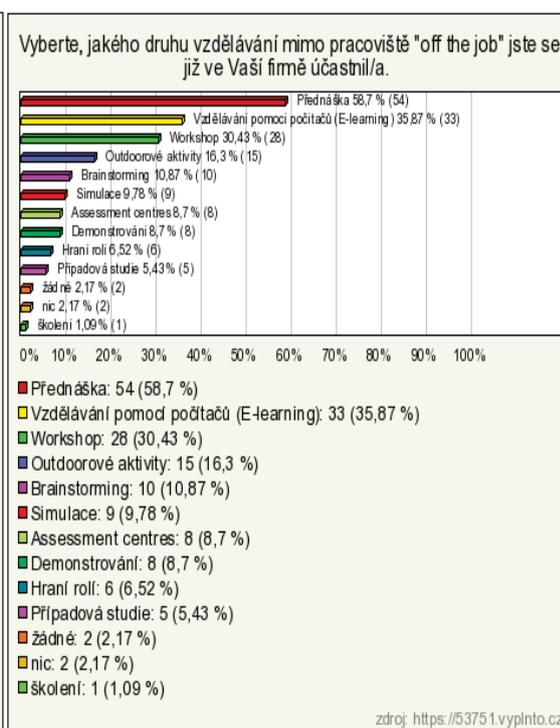
Graph 1

On the job education



Graph 2

Off the job education



Source: Vojtěchová (2016)

Source: Vojtěchová (2016)

## Introduction of the XYZ company and its education system

XYZ Company, which doesn't want to be published, holds the leading position among large companies in its field in the world market. A considerable role in the success of this company plays its approach to employees. Company XYZ is very keen on satisfaction, development and motivation of its employees, as it is very well aware of their impact on the company's management.

As the author has learned through a semi-structured with a representative of the company, further specified in Addendum 1 of this work (author's own source), the company invested a lot of money right to education, where the crucial step was an creating of the new division of education within the current company's organizational structure, ie. XYZ University, which covers all educational processes for all its employees. More detailed of the education arrangement is as follows:

- Welcome at XYZ

This module introduces to the employees the history and culture of the company. Furthermore, there is presented to the employees a stance of the company on the environment, its products, organizational structure and the like. These sessions usually take place through e-learning or sessions.

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- Getting started

It is a module that has help to employees to be familiar with all the necessary information needed for smooth performance at work. The employee is familiar with the information in the form of electronic, user-friendly and simple application.

- Mandatory trainings

Business Conduct training (ethic codex), communication at XYZ trainings, Other trainings based on a position/ specialization (trainings are focused to soft skills as well as to hard skills).

- Education as a benefit

Education-related expenses to help employees continue their education. The amount is 60.000 CZK/ year for eligible university courses, including coursework relevant to and job at XYZ, as well as language courses.

From the area of employees's development it is necessary to mention also the Performance evaluation in XYZ, so. Performance Reviews. This evaluation consists of employee self-assessment, as well as feedback on performance from colleagues from cooperating teams and finally from manager. Based on these data follow interviews between managers and employees, which include setting goals incl. employee's development, a planning job-related and other courses, proposal of implementation, etc ... The next performance review then leads to assessing the achievement of objectives, including developing ones.

## **Conclusion**

Personal and social development of employees has been through great development and is getting more and more into the spotlight, because we already have empirically proven facts that attribute to this discipline a big impact on employee motivation and thus by extension, to the good results of the company.

After analyzing of expert information from sources which the author used for his work, it is quite clear how big benefits arise for employers if they invest time and money in human capital. It is scientifically proven that training, developing and education of the employees has primarily a positive impact on their approach to work, which largely influences positively an achieving of the goals of the company.

To ensure that trainings and other kinds of developing are beneficial for both parties - the employee / employer - it is necessary to adhere to basic rules. Trainings must make sense so when adjusting the education system can not be missing the correct setting objectives, planning, monitoring performance and correct feedback, ie. motivation for achieving the purpose and evaluation of the contribution. Just right in a feedback and in back control

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the author dares to see minor deficiencies on the part of employers and proposes to focus on this area in order to avoid further and repeated autotelic education.

In the practical part, the author had an opportunity to compare the current market situation in the field of education, which, after a detailed analysing of provided surveys and their results seems surprisingly very good. On the market are indeed still some reserves in the supporting of employees in their training and just reluctance to invest in their education by employees can become an unnecessary obstacle to its further development. Employers should not be afraid to add this support into their benefits, since according to the results of surveys of the sources is a very motivating factor in employee remuneration. Yet the vast majority of employers are already moving in the right direction and it is seen that they are well aware of the importance of the development of their employees. This is confirmed by the steady increase of investments in employees's development for the past 6 years.

Nevertheless as demonstrated in the research of the New Chapter Consluting Group, the author also considers it appropriate to mention the impact of the economic stability to the priorities in terms of motivation, ie. that interested in personal development is certainly also due to the very good economic stability, and it is quite possible that in case of deterioration of the economic situation on the market a development of employees is not be in such forefront, as it is today.

The author's aim of this work is the correctly set, effective and modern system of personal and social development of employees. When comparing a model system XYZ Company, surveys results and expert knowledges of the resources used, the author considers the educational program of the mentioned company for a very functional, containing all the necessary education and useful to other employers, including excellent its communication to the employees.

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## Appendix

### Semi-structured interview - report

**Question 1:** How is the XYZ position on the current market?

**Answer:** The XYZ Company is one of the most successful global companies in its field. Over the last two years it double its sales. It has a very good position as an employer, which promotes diversity, equality and inclusion. It's well known that the effort of our company is to offer job and career opportunities for all candidates who want to grow and work for one of the best companies in the world.

**Question 2:** What are the results of XYZ Company for the last year?

**Answer:** Last year the company had a profit of 18 billion dollars. The average margin rose by 1%. Our sales reached record results. On all of that merits mainly an innovation, and the investment in frame of that to both our products and our employees, who are in the development of our products, of course, most involved and therefore it is necessary to go stale with modern trends.

**Question 3:** What is the company XYZ's approach to developing its employees and invests in the development of their employees?

**Answer:** As already mentioned in the answer to the previous question, the position of XYZ to employee development is clearly positive. We are well aware that this investment has the greatest return, and that our future literally depends on it. Thanks to the development of employees and their motivation for further education we can maintain a permanent human resources in line with the latest modern trends.

**Question 4:** How can employees find out about possibilities of their development?

**Answer:** We have several sources to communicate these information to employees. Because we are aware of the importance of education, our company founded two years ago its own XYZ University, which covers most of the areas of education.

**Question 5:** Can you more specify those areas of education? What does XZY University do?

**Answer:** Yes, it is mostly about following four modules:

1. Welcome XYZ- this module introduces to the Employees the history and culture of the company. Furthermore, there is presented to the employees the stance of the company on the environment, ITS products, organizational structure and the like. These sessions Usually take place through e-learning or sessions.

2. Getting started - a module that has to help Employees to be familiar with all the Necessary information needed for smooth performance at work. The employee is familiar with the information in the form of electronic, user-friendly and simple application.

3. Mandatory trainings like a Business Conduct training (ethic codex), Communication at XYZ trainings and other trainings based on position/ specialization.

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4. Education as a benefit - this module includes education-related expenses to help employees continue their education. The amount of it is 60.000 CZK / year for eligible university courses, including relevant coursework and a job at XZY, as well as language courses.

**Question 6:** This is only the initial process for new hire employee or they can develop in according to these courses also later, anytime during their employment life?

**Answer:** No, it is a repetitive process, such a life cycle of employment. We are a very progressive company, thanks to we hold our good position in the market and we want to maintain this position also in the future. It is therefore necessary to constantly educate its employees and still go with the modern trends also in this field. It is also interest of the employees, in what we support them.

**Question 7:** In your input modules I do not see the possibility of external courses. Do employees have the opportunity to develop even in such areas as training in legislative, professional courses in finance, software development, etc.?

**Answer:** Of course. For this purpose we realize the annual performance evaluation, where we evaluate employees and set their goals. Among these objectives, of course, we include the training of these types, which are required by employees to their work. Every year evaluation we use also for the feedback and checking of the effectiveness of the trainings.

**Question 8:** Do you plan any changes along with the latest trends?

**Answer:** You still need to follow new trends. For this purpose, we have the University team of experts in the field of education, their work is to constantly check and update the offered trainings/ sessions and the situation in the market. These are people who are still looking for more and more new opportunities and try to provide for our employees the position to be always one step ahead, in line with our culture.

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## 3 Conclusion

The third annual international student conference „Entrepreneurial spirit“ was organized by the students of University of Economics and Management. The goal of the event is to improve the presentation skills, to provide the floor for discussion and exchange of experiences, and to master the English language of the participants.

The conference was held on May 24, 2015 in the Auditorium of VSEM. Except for direct participants - contributors, committee members - the conference was also attended by students of the University of Economics and Management as guests.

The three-member expert committee was composed of experts from practice. Contributions which were presented at the conference and are included in this conference proceedings are among the top 11 out of the total number of 22 submitted contributions, as far as both the content and formal aspects. Students were encouraged to send contributions so they can improve their communication and presentation skills, improve their skills of working with scientific text or to obtain a credits for seminar paper.

The conference is in line with the objective to create conditions for the development of such knowledge, skills and experience of the students, allowing them to successfully enter labor market shortly after their graduation (in relation to the improvement of their communication and presentation skills).



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