

Západočeská univerzita v Plzni

Fakulta filozofická

Bakalářská práce

**Guidelines to doing business: A case study of a
Czech firm to highlight the most important
business issues**

Tereza Slabá

Plzeň 2014

Západočeská univerzita v Plzni

Fakulta filozofická

Katedra anglického jazyka a literatury

Studijní program Filologie

Studijní obor Cizí jazyky pro komerční praxi

Kombinace angličtina – francouzština

Bakalářská práce

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Plzeň 2014

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Plzeň, duben 2014

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podpis autora

Poděkování

Na tomto místě bych ráda poděkovala společnosti MOSER, a.s., sídlem v Karlových Varech, za spolupráci a poskytnuté informace, díky kterým jsem mohla bakalářskou práci zpracovat. Děkuji také panu Alok Kumarovi, M.A., M.B.A. za vedení bakalářské práce a cenné rady při jejím psaní.

Moser

Interní sdělení

Od: Ing. Zdeněk Slabý

Pro: Ing. Antonín Vlk

Obsah: Žádost

Datum: 16.10.2013

Žádám o souhlas k použití obecných informací o společnosti MOSER, a.s. pro účely bakalářské práce Terezy Slabé, studentky filozofické fakulty oboru Cizí jazyky pro komerční praxi v kombinaci angličtina – francouzština na Západočeské univerzitě v Plzni.

V práci s názvem: *Guidelines to doing business: A case study of a Czech firm to highlight the most important business issues (Pokyny k podnikání: případová studie české firmy zdůrazňující nejdůležitější kroky při obchodování)* nebudou požadovány a uvedeny žádné důvěrné informace, které se týkají firmy Moser, a.s. Bakalářská práce bude obsahovat pouze všeobecné informace (například z webovských stránek, propagačních materiálů, informace ze dne otevřených dveří apod.).

Bakalářská práce bude po dokončení, v červnu 2014, poskytnuta společnosti MOSER, a.s.

Děkuji.

Ing. Zdeněk Slabý 

VIT

 **SCHVÁLENO**
ředitel společnosti

17.10.2013

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1 INTRODUCTION

Business has been omnipresent in society for centuries. It has been always undergoing various changes in order to find the most effective way to achieve as much profit as possible. This bachelor thesis discusses matters which form the most important core when doing business. It is focused on a Czech company Moser which has been on the market since 1857. The main objective is to describe the approach of Moser when dealing with the business issues that occur while carrying on an international business field.

The thesis is composed of the practical part and the theoretical one which are reciprocally interconnected. The theoretical part provides information concerning the necessary background knowledge in order to comprehend the practical part which in turn uses the example of the glass factory Moser to implement the theoretical inputs.

The thesis is divided into six chapters. The first chapter introduces the manufacturer Moser its field of expertise and its history. The next chapter generally explains what business is and concentrates on the legal form of the company itself. The subsequent chapters form the central part of the thesis. They are as follows: Product, Process and People. The last chapter represents an interview with the company emphasizing its future prospects, the challenges it faces and its visions for the future.

The goal of the thesis is to acquaint the reader with certain the methods that Moser utilizes while handling business matters in order to be profitable and successful.

The crystal manufacturer Moser was chosen as a model company for this thesis as it represents a prosperous company in the area of international business therefore it is an ideal example. Furthermore the

company is based in the West Bohemian region which is known for the handmade fabrication of glass and porcelain products.

The information relevant to the company Moser was acquired by the means of interviews and questionnaires. All data were granted and published with the consent of the company. The author has included the "Letter of Consent" which gave her access to business data not accessible to general public. The same could be readily found at the beginning of the thesis.

2 MOSER, A.S.

In the following segments the analyzed West Bohemia based company is introduced. The field of its production is briefly presented to the reader and the history of the company is concisely summarized.

2.1 The Glass Factory Moser

MOSER, a.s. is one of the oldest sweatshops in Europe. It is a glass factory that fabricates drinking collections and crystal interior accessories with original design, characteristic colours and distinctive shapes. The luxury crystal pieces belong to the finest works in the world.

The Moser company is a member of the prestigious Comité Colbert, a worldwide known association that brings together the world's luxury brands, which aims to maintain and develop traditional handicraft production of luxury products.

Picture 1: Logo of Moser



Source: Museum Moser in the heart of Prague. *Museum Moser – iluxurylife.cz* [online]. ©2014 [cit. 2014-03-11] Available from:
http://www.iluxurylife.cz/sites/default/files/styles/firmalogo/public/2012/08/moser_logo_180.jpg?itok=1o9D54tC

The Moser crystal is known for its originality and has been frequently seen in palaces of monarchs, used by statesmen or governments for more than 155 years.

Since handmade, each piece produced by Moser is unique in its design and precision. Most glassworks focuses exclusively on the manufacture of crystal glass free of lead.¹

¹ information granted by the glass factory Moser

2.2 Moser throughout the Years

The Moser factory was founded by engraver Ludwig Moser in 1857 in West Bohemian spa town Karlovy Vary. Shortly after the opening the manufactory became quite popular and Ludwig Moser was appointed the imperial purveyor of Franz Joseph I., the Shah of Persia Musaffereddina and King Edward VII. In the second half of the 19th century Moser began to promote the company's products at world fairs and his efforts were awarded with the Medal of Merit at the World Exhibition in Vienna in 1873.

The establishment of the smelter has changed the scope and structure of production at the beginning of the 20th century. Imperial and royal courts were interested in the exclusive supplies of the crystal glass. Later on in 1910 the production of the classic series of Moser crystal with etched and gilded décor started.

The progressive development was interrupted when World War escalated and Ludwig Moser passed away in 1916. After Ludwig deceased the company was in the hands of his sons Gustav, Leo and Richard. The Moser brothers led the company forward and in 1921, with the participation of Czech Unionbank, the joint-stock company was established. Leo Moser also focused on expansion to other countries and opened sales offices in Europe, North and South America and some Czech towns.

During and after the World War II a bit of a slump in sales took place but regardless the factory belonged amongst the most important German firms because the Moser family was replaced and the company was nationalized and was renamed Staatliche Glasmanufaktur Karlsbad. In spite of this the glass factory overcame all the obstacles, concentrated on

the export and expansion and the late president Beneš gave the luxurious Splendid drinking set as a wedding gift to the Queen Elizabeth II.

However the company struggled some more during the communist era and the direct contact with the customers was not renewed until 1990s. The company has been a public limited company ever since 1991.²

Picture 2: Moser in the year 1895



Source: Kantors Creative Club. *Moser Crystal Objects* [online]. © 2014 [cit. 2014-03-11]. Available from:

http://issuu.com/kantorscreativeclub/docs/katalog_dekorativni_predmety_web?e=4647363/6220043

² information granted by the glass factory Moser

3 BUSINESS

This chapter informs the reader about the meaning of business in general and explains the reason why business is executed. The second part concerns the legal form which is one of the necessities required when establishing companies. It is particularly focused on the legal form of public limited company because MOSER, a.s. belongs to this category.

3.1 What Is Business

When defining what the term “business” means there are two possibilities. Either it is “the activity of making money by producing or buying and selling goods, or providing services”³ or it can be understood as “an organization such as a company, shop, or factory that produces or sells goods or provides a service.”⁴ In this chapter the first meaning is discussed.

The main reason of doing business is first and foremost to make profit. In order to run a prosperous business it is imperative to concentrate on three main issues. “It must be organized, it must satisfy needs, and it must earn a profit.”⁵

Hughes distinguishes four principal resources which ensure the organization:

- a. human
- b. material
- c. financial
- d. informational⁶

³ ADRIAN-VALLANCE, Evadne, ed. Et al. *Longman exams dictionary*, page 187.

⁴ *ibid.*

⁵ HUGHES R., KAPOOR J., PRIDE W.. *Business*, page 10.

⁶ *ibid.*

As human resources are considered all the people who work and are remunerated in the form of wages. All the raw materials which are needed for the manufacturing process represent the material resources. The money necessary for a smooth running of the business cover the financial resources and informational resources overlook the performance of the three hereinbefore mentioned segments and report back to the management of the business about their cooperation.⁷

3.2 Legal Form

Every business must fulfill one condition so that it can properly function. The requirement in question is the legal form. The glass factory Moser is a public limited company.⁸

Being a public limited company means that it is limited by shares, it has a minimum of seven share-holders and there is no upper limit. Since it is public it has to publish its balance sheet every year alongside with the annual report. The public limited liability company is based on three main organs.

The highest authority in the public limited liability company is the general assembly. It is composed of all the shareholders and generally decided on the administrative issues connected with the management of the company.

The second core body is the board of directors. There are usually three members who exercise the authority over the company in between the shareholder's meetings.

The supervisory board forms the last part. Its main task is to control oversee the board of directors. Ordinarily there are three members who are elected by the general assembly.⁹

⁷ *ibid.*

⁸ information granted by the glass factory Moser

4 PRODUCT

This chapter discusses two core issues related to a product. The first one being the product determination and development and the second one is called materials procurement. The key terms explained below include specification of the term product, product mix, line and market extensions and brand stretching. The second part of the chapter is related to the choice of suppliers and procurement of various materials needed for fabrication of products in question.

4.1 Product Determination and Development

4.1.1 What Is a Product

A product is a very complicated unit which consists of the product itself but also services. It can be “portrayed as a group of concentric circles building on the issues of the inner circles.”¹⁰

According to Kahn it can be divided into five essential parts:

- a. core benefit
- b. generic product
- c. expected product
- d. augmented product
- e. potential product¹¹

The first element which is called the core benefit is a part which is “the fundamental service or benefit that the consumer is really buying and is derived from the consumer’s need or want.”¹² For the Moser company

⁹ ŘEHÁČEK O., *Představenstvo akciové společnosti a postavení jeho členů*, pages 1-16.

¹⁰ KAHN, Kenneth B. *Product Planning Essentials*, page 6.

¹¹ *ibid.*

¹² *ibid.*

the core benefit is glass but the customer cannot buy glass in its raw form.¹³

Therefore there is the generic product level that is “the basic version of the product which is less developed product however the consumers receive the benefit that they want.”¹⁴ In the Moser glass factory it is represented by products that do not comply with the strict regulations of the company and have some flaws. These particular products are not included in the distribution of the regular range but they are sold on certain occasions such as opening days.¹⁵

The expected product which forms the third part “includes a set of attributes and conditions that buyers normally expect and agree to when they purchase a product.”¹⁶ For MOSER, a.s. this would be the established lines that represent traditional design for example the well-known drinking sets.¹⁷

The augmented product forms the “additional services and benefits that distinguish the company’s offering from competitor’s offerings.”¹⁸ The best example of the augmented product for the glass manufacturer Moser is its gift range that is growing immensely every season.¹⁹ It differentiates the company from other glass factories by the uniqueness of the products and their uncharacteristic nature for the classic glass industry.

The potential level that creates a product is composed of “all augmentations and transformations that the product might undergo in the future. The potential product represents a commodity that attempts to satisfy all consumers’ needs and wants related to the product and it

¹³ information granted by the glass factory Moser

¹⁴ KAHN, Kenneth B. *Product Planning Essentials*, page 6.

¹⁵ information granted by the glass factory Moser

¹⁶ KAHN, Kenneth B. *Product Planning Essentials*, page 7.

¹⁷ information granted by the glass factory Moser

¹⁸ KAHN, Kenneth B. *Product Planning Essentials*, page 7.

¹⁹ information granted by the glass factory Moser

thereby aims to create customer delight.”²⁰ The potential level consists of the delivery service that the Moser company provides to its customers.²¹

4.1.2 Choosing a Product and Creating a Product Mix

Every company’s profitability is secured by the right choice of product that will be sold to the customer. Because of the pervasive changes the market is always undergoing it is crucial to perform an analysis of the gaps on the market in order to determine what is needed and what the company will produce.

MOSER, a.s. being established in the 19th century had probably not undergone any complex analysis of market to determine the product the manufacturing company chose to produce. But because Ludwig Moser was a talented merchant he estimated that the former emperor Franz Joseph I. did not have any supplier for the royal table and later became his exclusive provider. And he also concluded that the West Bohemia was the most convenient region to build a glass manufacture because of the natural riches the territory offers and that are essential for the production of glass.²²

Having decided on the final product that the company will fabricate it is important to set up a range of commodities manufactured in the company. This range also known as product mix “consists of all the different product lines a firm offers.”²³

Kahn describes product mix as wide, deep and consistent. The width is formed by all the product lines available. On the opposite if the company furnished only a few product lines the product mix is regarded as narrow. The depth comprises all the products within each product line. In case of that every line is composed only of several products it is

²⁰ KAHN, Kenneth B. *Product Planning Essentials*, page 8.

²¹ information granted by the glass factory Moser

²² *ibid.*

²³ KAHN, Kenneth B. *Product Planning Essentials*, page 12.

perceived as narrow. And the consistency stands for the similarity in the respective product lines. In case of many diverse product lines the product mix is considered as inconsistent.²⁴

The West Bohemian glass factory is the perfect example of deep, wide and consistent product mix. The company brings out many new product lines every year and enlarges the established traditional lines. Usually the lines are composed of many various products because every drinking set consist of at least six different pieces. In spite of the many commodities the Moser company offers to its clients the product lines and the products themselves are very similar and can be differentiated between one and another only by specific design features the product mix is believed to be consistent.²⁵

4.1.3 Line Extensions

The most substantial thing that every business must be aware of is the constant move of the market. It is never stable and it is always changing even though the glass market is not developing as fast as other markets such as the IT market. On that account the company has to be capable to keep up with it and the competition. It must be able to adapt to even the slightest transitions because only the fittest survives the rivalry.

In order to adjust to the market the firm has to innovate. The easiest and fastest way is to start with the primary product. The process of the transformation of the old product is referred to as a line extension. It means that “copies of an existing product are made but they contain unique features that the original product does not have.”²⁶ To modify its

²⁴ *ibid.*

²⁵ information granted by the glass factory Moser

²⁶ KAHN, Kenneth B. *Product Planning Essentials*, page 16.

products MOSER, a.s. has offered to its clients a personalized engraving on certain product lines.²⁷

4.1.4 Market Extensions

When struggling with the alternation of a product a company can put its goods on an unexplored market. So-called “market extensions are original products positioned in new market without any (or with minimal) changes to product.”²⁸

Even if this is a very difficult task, the Moser company had succeeded. With the expansion of online shopping, MOSER, a.s. tried to penetrate the American online shopping market with its existing non-altered products. The manufacturer had found an online business partner Herend who specializes in home ware and customize porcelain decorations and tableware. After successfully joining the U.S. market MOSER, a.s. also signed contracts with the United Kingdom Harrods shopping gallery.²⁹

Picture 3: Logo of Herend



Source: The Herend Shop. *The Herend Shop* [online]. ©2014 [cit. 201-03-11].

Available from: <http://www.herendshop.com/>

4.1.5 Brand Stretching

When establishing a successful profitable company it is necessary to expand to unexplored markets and attract new clientele. Such methods

²⁷ information granted by the glass factory Moser

²⁸ KAHN, Kenneth B. *Product Planning Essentials*, page 16.

²⁹ information granted by the glass factory Moser

are called brand stretching which means “applying an existing brand to a completely different business area or a new product or service.”³⁰

Besides the traditional crystal glass products such as the drinking sets or crystal vases and bowls, the Moser company having the deep product lines offers various crystal gifts designed for a wide spectrum of customers.

Amongst one of the first Moser’s attempts to brand stretch belongs its jewelry collection. The company designed a complex collection but it was never very successful because the glass factory is well known for its conventional drinking sets, imposing vases and bowls.

Despite an abortive attempt MOSER, a.s. created crystal gifts for both men and women which is composed of colourful paperweights, clock that are made in collaboration with the company Prim, pen holders, ashtrays or key rings. These commodities are very popular amongst the clients because of their usefulness, practicality and cost.³¹

Picture 4: Moser Ashtrays



Source: Kantors Creative Club. *Moser Crystal Objects* [online]. © 2014 [cit. 2014-03-11]. Available from:

http://issuu.com/kantorscreativeclub/docs/katalog_dekorativni_predmety_web?e=4647363/6220043

³⁰ CHANDRASEKAR, K. S. *Marketing Management: Text & Cases*, page 201.

³¹ information granted by the glass factory Moser

4.2 Materials Procurement

4.2.1 Location and Storage of the Procured Materials

First and foremost before the actual procurement of goods begins it is necessary to establish a warehouse where the requisite items will be stocked. Management strategy which is created by the Materials Management determines the suitable place.³²

Despite the large volumes and high frequency of orders of material which is needed for the production of the goods sold by MOSER, a.s., the fabrication of glass is very long process composed of immediate actions following one after another therefore the materials could not be kept anywhere else but directly in the place of the fabrication. The company is stocking all of the materials directly in the factory in Karlovy Vary.

The Moser company deals with various suppliers who varies according to materials needed.³³

4.2.2 Choosing the Right Suppliers

The production of any goods is always dependent on supplied materials hence it is inevitable to develop a group of suppliers that a company can depend upon as a continuous source of supply under all conditions.³⁴

There are multiple ways how to acquire a supplier. Suppliers can either approach the company directly themselves or through information received from other departments in the company or through business catalogues, exhibitions, trade fairs or electronic media.³⁵

³² DATTA, A. K., *Materials Management: Procedures, text and cases*, page 272.

³³ information granted by the glass factory Moser

³⁴ CHATTERJEE S., *Applied Materials Management*, page 63.

³⁵ *ibid*, page 64.

MOSER, a.s. deals with various suppliers because of the immense volume of items which are used throughout the process of production and selling of the Moser glass factory products. In order to keep the quality and price of the materials as efficacious as possible the company carries out analysis of various suppliers before settling on doing business with them and signing any contracts.

Moser company divides the general procurement of materials into three following groups:

- a. procurement of essential materials
- b. procurement of precious metals
- c. procurement of other materials³⁶

4.2.3 Procurement of Essential Materials

Procurement is a generic term which includes purchasing and all additional functions connected with the acquisition of goods. It is the task of the Materials Management department to procure materials as efficiently and economically as possible.³⁷

First and foremost the raw materials for the production of non-modified glass have to be ensured. For the general production of glass in MOSER, a.s., it is pivotal to procure the raw materials including limestone, soda, glass-sand, graphite, borax, sodium sulphate, antimonoxide, cupric sulphate, various complex acids, potassium nitrate and potassium carbonate.³⁸

4.2.4 Procurement of Precious Metals

The Moser company is well known for the Splendid collection which is hand gilded with gold. The precious metals are secured with extreme

³⁶ information granted by the glass factory Moser

³⁷ DATTA, A. K., *Materials Management: Procedures, text and cases*, page 92.

³⁸ information granted by the glass factory Moser

caution because they belong amongst one of the most expensive materials procured.³⁹

Picture 5: Drinking Set Splendid 10160



Source: Kantors Creative Club. *Moser Crystal Sets* [online]. © 2014 [cit. 2014-03-11]. Available from:

http://issuu.com/kantorscreativeclub/docs/katalog_napoj_soubory?e=4647363/1136071

4.2.5 Procurement of Other Materials

4.2.5.1 Equipment

The fabrication of glass is long and complicated process which involves many instruments that the company needs to procure so that the product is successfully made.

At the beginning of the manufacturing process when the liquid glass is brewed glassmakers blow the product by the means of blowing flutes which are necessary to furnish.

The materials management has to provide other inherent equipment such as brushes, colours, engravers and holders are required throughout the production and substituted very often because they wear out.⁴⁰

³⁹ *ibid.*

⁴⁰ *ibid.*

4.2.5.2 Wood

The complex manufacturing process requires casting the glass in special wooden forms which the company produces itself. The forms are made of various wood materials specifically the hard crude beech and the peer-tree timber.

The forms are frequently replaced because their lifetime is very short therefore the company is obliged to acquire wood from multiple suppliers.⁴¹

Picture 6: Wooden Forms Fabricated by Moser



Source: *Ruční tvarování a foukání skla na huti - Sklárna Moser – luxusní české křišťálové sklo* [online]. ©2014 [cit. 2014-01-24]. Available from: <http://www.moser-glass.com/files/photos/original/3/3ceebf80738f369bee89cfb6a0bab0da215bfbdd.jpg>

4.2.5.3 Abrasives

One of the essential materials needed for the production are abrasives. MOSER, a.s. has to procure abrasive tools for the Moser hand cut range.

The hand cutting is a process which consists of cutting of the glass to minutely varying depths to create the required motifs or designs. The technical equipment especially designed for this process is essential. It

⁴¹ *ibid.*

includes finely-tooled, high-speed wheels with variable incision capacities from natural or synthetic materials.⁴²

4.2.5.4 Components

Besides materials which are key for the production the company has also suppliers for items inherent for fabrication of special goods such as the Karlovy Vary International Film Festival awards or the jewelry components. These suppliers provide ready-made components MOSER, a.s. uses for the final product.⁴³

Picture 7: Crystal Prizes and Trophies



Source: Crystal Prizes and Trophies. *Moser Glassworks – Luxury Bohemian Crystal Glass* [online]. © 2014 [cit. 2014-03-11]. Available from: http://www.moser-glass.com/files/images/bannery/KRISTALOVE_CENY_A_TROFEJE.jpg

4.2.6 Packaging

The last step in the procurement process is the packaging of the manufactured goods. Materials Management has to secure a wide range of materials, boxes or bags to fit the glass products.

Before the final product reached the customer it has to be neatly and carefully packed due to its fragility. In the Moser company there is a strict policy concerning packaging which has to be followed. MOSER, a.s. provides assorted logo boxes especially designed for particular pieces of glass.⁴⁴

⁴² *ibid.*

⁴³ *ibid.*

⁴⁴ *ibid.*

5 PROCESS

The aim of this chapter is to acquaint the reader with the ensemble of actions in the company concerning manufacturing and marketing. The chapter continuously follows the precedent part of the thesis. Manufacturing management strategy, production process, design for fabrication, marketing strategy, advertisement materials, packaging regulations and e-shop represent the key terms for this particular sequence.

5.1 Manufacturing

5.1.1 Manufacturing Management Strategy

Over the years several manufacturing strategies were formed and gradually developed. They were ineffably altered throughout various eras in history because of the fast evolution of the market.

One of the first important manufacturing strategies which significantly influenced the manufacturing management department was the Taylor/Ford strategy that appeared around the turn of the 19th and 20th century. The key idea was a master piece of Frederick Taylor who “introduced the scientific management concept”.⁴⁵ The theory is based on “optimization of work methods through a detailed study of the process as well as of the ergonomic capability of the workers”.⁴⁶

Taylor’s idea was later carried out by Henry Ford who created assembly lines that resulted in synchronous production lines. The workers who operated the lines were doing one specific task in order to enhance the quality of the product and not waste any amount of time.⁴⁷

⁴⁵ BENHABIB B., *Manufacturing: Design, Production, Automation and Integration*, page 16.

⁴⁶ *ibid.*

⁴⁷ *ibid.*

Later in 1960s the Taylor/Ford strategy was replaced by Material Requirements Planning technique aiming to create precise scheduling implemented on computers in order to save as much time as possible.⁴⁸

The last important strategy which substantially enriched the business sphere was the Asian Just-in-time scheme that spread in 1970s. The strategy is also known as kanban based on the principle of a card system where every card stands for particular commodity which is only fabricated if a kanban card exists for it.⁴⁹

The Moser company profits from all the above mentioned techniques. The glass factory has a complex glass workroom which is divided into three sections according to the status of the workers creating a small assembly line. The blue-collar workers are the craftsmen or craftswomen, the assistants and the flask helpers. Each and every one of them has a concrete task in which he or she specializes.

The company has developed throughout the decades a refined working schedule indicating who will fabricate, what will be produced and when it will be manufactured. There are three categories classified according to their size. The small products are usually fabricated in the morning because the viscosity of glass of tiny commodities is sparse and the temperature in the glass furnace reaches approximately 1320°C. The middle sized handicrafts are made around the noon and the biggest and convoluted goods are produced as last when the temperature needed to fire a product cools to 1180°C.

As the glass components are of a pricey nature, in case of bigger business deals the company uses modified kanban system. First and foremost it takes orders and then has some time to produce the desired goods. There is only a very few products which are fabricated on stock for

⁴⁸ *ibid*, page 17.

⁴⁹ *ibid*, page 18.

two reasons. First being the risk of over-stocking products that are not profitable and vesting the warehouse place and second portraying the very costly stocking prices.⁵⁰

5.1.2 Production Equipment and Process

Besides the materials procurement which plays an important role in the manufacturing process the other indispensable element is the equipment which is used for the fabrication itself therefore necessary.

For a glass factory the inherent facilities are the smelting furnaces. MOSER, a.s. is currently using furnaces with six and eight pans which are heated with natural gas. The usage and operation of the equipment is very arduous hence the high maintenance of the furnaces. The pans must be thoroughly dried before use and checked whether they show no defects such as crazing. They are usually preheated to 1150°C and then transferred to a furnace where they first need compaction at high temperatures to minimize corrosion. After compaction the pan is gradually melted with shards of glass and then it runs normal melting of glass. The lifetime of a pan is only 10 – 20 weeks.

After the preparation of the pans the own melting process starts. The shard and strain are melted and the molten glass is created. The staff is working with the substance using many diverse tools.

The most common glass-making tools include blowpipes, scissors of various shapes and sizes, tweezers of different embodiments, wooden clappers, trowels and pins, metal templates to control the shape of the product and forms fabricated from distinct materials.

The next step is the cooling of glass that is called technological process. The molded glass product is disposed of internal tensions. The

⁵⁰ information granted by the glass factory Moser

internal stress is created when the glass handiwork is rapidly cooled down. If the stress is not removed there is a rupture of the product.

When the glass core is ready the next phase begins in cutting room. In the department of primary processing is performed a separation of warheads also called surplus and a grinding and ignition of edges. After the end of this procedure the glass product undergoes a quality controlled and if accepted it is passed onto the decoration department of the company.

The glass can be either painted or cut. The glass painting is a process of traditional decorative techniques used by MOSER, a.s. The current methods used while fabricating the final product are gold and platinum. According to the way we polish the glass the appearance is semi gloss or high gloss.

Another technique frequently used when creating the product is sandblasting which is a decorative method that uses abrasive materials of different hardness and grain size to blast the glass surface and create a matt effect of different character and depth.

The last two techniques used to decorate glass are glass etching and glass engraving. The glass etching is a decorative technique in which the uncovered parts of the glass are etched and the surface creates embossed decors. As the most noble is considered the glass engraving. It is a highly artistic way of decorating glass. It is very similar to grinding but the engraving depth is only in the range of 0.5 – 3 mm.

After all the procedures are terminated there is a thorough and strict quality control of every single product made in the glass factory. Those that do not comply with the criteria are not incorporated into the sales process.⁵¹

⁵¹ *ibid.*

5.1.3 Design for the Fabrication

One of the inseparable parts that create a product is its design. It is the first thing that the prospective customer sees and it is also a very important factor when an undecided client is thinking about whether or not to buy. It is necessary to establish a high-quality, reliable team of designers who will lead the company forward by the means of designing of new lines and collection which has to be creative, timeless and stylish. The artists have to be capable to keep up with the current trends and possess the ability to foresee the direction where the industry is heading.

MOSER, a.s. prides itself on its originality as far as the visual aspect of the products is concerned. For years designers and artists all over the world have sought the opportunity to accomplish the execution of their drafts under the aegis of the Bohemian glass factory. Owing to this cooperation with the prominent Czech graphic artists unique, original and limited collections with high artistic value are born. The most recognized designer who has a long-time relationship with the firm is Lukáš Jabůrek.⁵²

Picture 8: Contemporary Design by Lukáš Jabůrek



Source: Kantors Creative Club. *Moser Crystal Objects* [online]. © 2014 [cit. 2014-03-11]. Available from:

http://issuu.com/kantorscreativeclub/docs/katalog_dekorativni_predmety_web?e=4647363/6220043

⁵² *ibid.*

5.2 Marketing

5.2.1 Marketing Management

The incessancy of various processes is present in every company. The constant planning, organizing, developing and controlling can be overall called marketing. While performing the extensive planning companies create a marketing strategy. The strategy sets objectives which will be accomplished in the future. It consists of precise schedule which determines when and how all the company's activities will be carried out and by whom. The managers then motivate the staff to do the best work possible and coordinate all the activities to keep the ball rolling. If the marketing department functions smoothly the likely malfunctions are to be discovered very quickly.⁵³

In the Moser company the Marketing management team prepares a detailed monthly plan concerning the production, promotion and fabrication issues.⁵⁴

5.2.2 Marketing Strategy

First and foremost the marketing department must analyze the target market and create a marketing mix. These two necessities form together a marketing strategy which helps to improve the general performance of the firm and achieve the fixed goals.⁵⁵

The marketing mix is composed of 4Ps which stands for price, product, promotion and place. It is based on numerous elements which together influence the sales of the company. The factors that have an impact on the marketing mix are shown in the figure below.⁵⁶

⁵³ FERRELL O. C., PRIDE W., *Marketing*, page 16.

⁵⁴ *ibid.*

⁵⁵ FERRELL O. C., PRIDE W., *Marketing*, page 30.

⁵⁶ KOTLER P., *Marketing Management*, page 17.

Picture 9: Marketing Mix - 4P's



Source: Sommer A., *Marketingkonzept zur Vermarktung einer neuen Brillentechnologie für einen regionalen österreichischen Fachoptiker*. Linz. 2007. Page 27. PDF file.

MOSER, a.s. performs a thorough analysis of the market each and every year, it inspects its competition, new trends and the current state of the economy. To ameliorate the sales and production outcomes it also undergoes the SWOT analysis to determine its strengths, weaknesses, opportunities and threats. After the theoretical process is concluded, the company implements the strategy and according to the results begins to revise, upgrade and transform the existing one into better one.⁵⁷

5.2.3 Advertisement Materials

The task of the marketing unit is not only the research but it also aims to advertise the products of the company by assembling assorted catalogues, brochures, leaflets, calendars and promotion materials.

⁵⁷ information granted by the glass factory Moser

The crystal manufacturer publishes a new catalogue several times a year both in paper and electronic version so that it is accessible to general public. It cooperates with professional photographers and interior designer in order to gather the needed material.

Besides the traditional catalogues, the company distributes numerous brochures which describe the manufacture process, the history of the company or its current events.

Aside from the abovementioned materials MOSER, a.s. also prints leaflets concerning the open positions for apprentices and calendars for the present or upcoming year depending upon the season.⁵⁸

Picture 10: Moser Magazine



Source: Moser Glassworks – Luxury Bohemian Crystal Glass. Moser Glassworks – Luxury Bohemian Crystal Glass [online]. © 2014 [cit. 2014-03-11]. Available from: http://www.moser-glass.com/files/images/bannery/banner_BULLETIN_ZIMA_2013_AJ.jpg

5.2.4 Packaging Regulations

Under the competence of the marketing department come also any packaging related issues that may occur. Especially for the fragile crystal products that MOSER, a.s. fabricates, the regulations are very strict. The marketing department must pay attention to the quantity of products packed in one box and to the materials used for packaging alongside with their design which has to represent the company.

Moser employees must pack all the cups and goblets in boxes of six. The decorative goods and vases are wrapped individually. The packaging

⁵⁸ *ibid.*

is made of white cardboard paper and the lid is covered in the typical claret Moser label.⁵⁹

5.2.5 E-shop

Online shopping is one of the latest trends and the mission of the marketing team is to build one that will be visited by many. Moser's website has a particular section of their official website dedicated to its e-shop. The products found online are delivered to the Czech Republic and 39 additional countries. Any other country that is not stated on the e-shop website is not eligible for the online shopping and the clients have to visit the actual shop.⁶⁰

⁵⁹ *ibid.*

⁶⁰ *ibid.*

6 PEOPLE

The goal of this chapter is to outline the customer acquisition, customer retention and sales and support of Moser. It describes the techniques which the company uses to gain new customers and to ensure their retention. The services provided to customers during the whole purchase process in order to satisfy the client are also discussed.

6.1 Customer Acquisition

6.1.1 Familiarity with the Target Group

The one necessity which is essential to every company in order to be successful and profitable is to acquire customers. It is very important to effectuate a market analysis to gain as much customer information as possible so as to know the demographics which will be targeted. The glass factory Moser deals with various types of customers from individuals to embassies.⁶¹

6.1.2 Internet Advertisement

6.1.3 Website

A very efficient way to promote a company is to create a website which should have certain features to win over new customers. The website represents the company and it is basically an “online brochure”⁶² which should be easy to find for the prospective customers.

First and foremost the website should be catching, organized and well arranged. According to Bracks “less is more”⁶³ therefore the website

⁶¹VINDICIA. Best Practices for Customer Acquisition – Vindicia. [online]. ©2006-2013. [cit. 2014-01-19] Available from: http://www.vindicia.com/sites/default/files/VN_BPG_CustAcq_F.pdf

⁶² BRACKS, Amanda. *Customer Acquisition – 456 Ways to Gain and Retain* [Kindle version].

ISBN 978-1-4771-1437-7. Location 2684. Available from: <http://www.amazon.com>

⁶³ *ibid.*

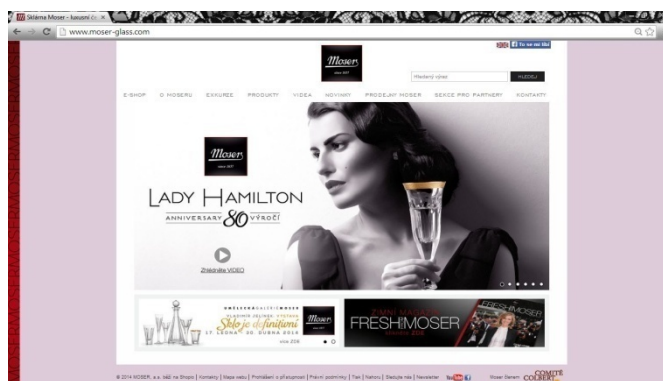
should not contain a lot of text and unsuitable pictures which have no connection to the company.

The design of the website should be simple and easy to browse through. Visitors need to find easy links from the home page to guide them to a purchase decision and the subsequent pages need to make the process as informative and frictionless as possible.⁶⁴ The Moser's website has an elegant layout with many links which direct the user to basic information about the company as well as to the e-shop. It also features links to all the company's social media websites.

It is important to think of the range of clients when creating a website. The clientele of Moser is international therefore the site is bilingual. It works in Czech and in English as well.

The most important element of the website is the contact page. It should include as many details as possible so that the potential customer could reach the firm without any problems. Moser incorporates on its website e-mail addresses, a postal address, a telephone number, a fax, a link to its website, opening hours and a contact form.⁶⁵

Picture 11: The Official Website of Moser



Own processing using source: *Sklárna Moser – luxusní české křišťálové sklo* [online]. [cit. 2014-01-19]. Available from :<http://moser-glass.com>

⁶⁴ VINDICIA. Best Practices for Customer Acquisition – Vindicia. [online]. ©2006-2013. [cit. 2014-01-19] Available from: http://www.vindicia.com/sites/default/files/VN_BPG_CustAcq_F.pdf

⁶⁵ BRACKS, Amanda. *Customer Acquisition – 456 Ways to Gain and Retain* [Kindle version]. ISBN 978-1-4771-1437-7. Location 2739. Available from: <http://www.amazon.com>

6.1.4 Social Networking

Social networks provide easier and faster access to information and they are used by the majority of the population nowadays. They are mostly free and for that reason it is very utile to make a profile in order to advertise a company and interact with both the existing and potential customers.

There is a substantial variety to choose from. In compliance with Social Media Today as the most used platforms are considered Facebook and Twitter.⁶⁶

The glass factory Moser uses Facebook as an intermediary with its clients. It is a practical and easily accessible tool to advertise discounts, offers or special events. The already existing clients may post a positive status or “like” the Facebook page and give positive feedback to the company.⁶⁷

Picture 12: The Official Facebook Page of Moser



Own processing using source: *Sklárna Moser*. [online]. [cit.2014-01-19]. Available from: <https://www.facebook.com/sklarna.moser>

⁶⁶ SORAV, Jain. 40 Most Popular Social Networking Sites of the World. *World's Most Popular Social Networking Sites – Social Media Today* [online]. October 2012 [cit. 2014-01-19] Available from: <http://socialmediatoday.com/soravjain/195917/40-most-popular-social-networking-sites-world>

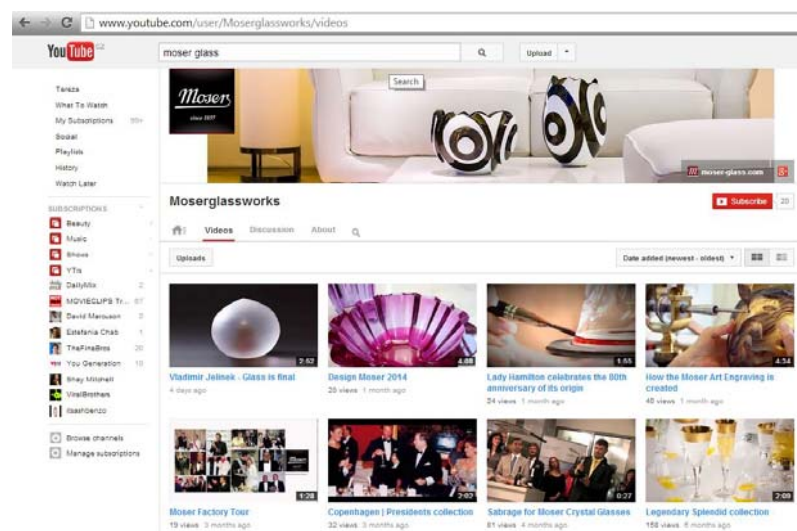
⁶⁷ information granted by the glass factory Moser

6.1.5 Multimedia

In order to bring the products and the work closer to the customers the video-sharing websites are the best choice because the clients can see the size and colour of the commodities through the screen.

Videos can be used for multifarious purposes. One of the websites which is providing video-sharing and is favoured by many is YouTube. MOSER, a.s. uploads on its YouTube channel commercials, invitations to various glass related events, and videos concerning the manufacturing process.⁶⁸

Picture 13: The Official YouTube of Moser



Own processing using source: *Moserglassworks - YouTube*. [online]. [cit.2014-01-19]. Available from: <http://www.youtube.com/user/Moserglassworks>

6.1.5.1 Newsletter

According to Longman Exams Dictionary newsletter is a short written report of news about a club, organization etc that is sent regularly to

⁶⁸ *ibid.*

people who are interested.⁶⁹ The main purpose is to keep the customers updated about news and events concerning the firm.

Moser's newsletter is accessible on their official website and is available to anyone.⁷⁰

6.1.6 Special Events

6.1.6.1 Trade Fairs and Exhibitions

Direct contact with the possible customers is the best opportunity to advertise a product because it can be shown and described in person. Clients can see for themselves the quality of the goods they are about to buy. Trade fairs and exhibitions pertain amongst the most convenient places.

MOSER, a.s. as an international company with long tradition and history participates in various international events such as Maison&Objet trade fair in Paris which presents for Moser a cutting-edge platform that is in line with the developments in the market and suited to your specific needs.⁷¹ Or Ambiente trade fair in Frankfurt that offers an ideal stage for networking and dialogue.⁷²

At exhibitions the company can show the latest products and techniques that have been recently developed or in use. Trade fairs reveal the retail strategies that work, the emerging trends and the latest materials in the industry.⁷³ The glass factory Moser builds the network of

⁶⁹ ADRIAN-VALLANCE, Evadne, ed. Et al. *Longman exams dictionary*, page 1028

⁷⁰ information granted by the glass factory Moser

⁷¹ LAGEL, Cyril. *Preview*. Fotolia, Getty Images. [cit. 2014-01-19] Available from:

http://www.maison-objet.com/content/Info_Essential_Pdf/4/file/original/52851c20cc335MO_J14_ESSENTIEL_A5_GB_EXE_MD.pdf

⁷² Leading international Trade Fair for Consumer Goods. *Leading international Trade Fair for Consumer Goods*. [cit. 2014-01-19] Available from:

<http://ambiente.messefrankfurt.com/frankfurt/en/besucher/messeprofil.html>

⁷³ LAGEL, Cyril. *Preview*. Fotolia, Getty Images. [cit. 2014-01-19] Available from:

http://www.maison-objet.com/content/Info_Essential_Pdf/4/file/original/52851c20cc335MO_J14_ESSENTIEL_A5_GB_EXE_MD.pdf

business partners and avails itself of the opportunity to learn about new market trends.⁷⁴

6.1.6.2 Open Days

Open day is a day when a school or an organization invites the public to come in and see the work that is done there.⁷⁵ MOSER, a.s. organizes an annual open days in May and it attracts many visitors every year. The firm offers tours of the factory alongside with a guide who describes every step of the production of the glass manufactured by Moser glass factory and the visitors can try blow glass themselves. In addition to the tour of the factory there is always a special guest and accompanying program with competitions.⁷⁶

Picture 14: Open Door Day



Source: Den otevřených dveří sklárny Moser. *Den otevřených dveří sklárny Moser – Karlovy Vary* [online]. ©2013 [cit. 2014-03-11]. Available from: <http://www.karlovyvary.cz/sites/default/files/styles/large/public/foto0.jpg>

6.1.7 Business Partners

6.1.7.1 Selling Agents

The acquisition of international customers is as important as the domestic one. It is selling agents' task is to catch the attention of prospective clients. In MOSER, a.s. selling agents are assigned to provide advertisement and publicity in Japan, Taiwan or United States in

⁷⁴ information granted by the glass factory Moser

⁷⁵ ADRIAN-VALLANCE, Evadne, ed. Et al. *Longman exams dictionary*, page 1070

⁷⁶ information granted by the glass factory Moser

cooperation with specialists such as engravers from Moser who demonstrate the production process in salesrooms.⁷⁷

6.1.7.2 Retailers

When building a successful international company as MOSER, a.s. is, one of the essential steps is to create a chain of shops that will sell the goods in such areas where it is not possible to open a business. One of the many retailers of Moser glass is Herend Shop by J. Yeager. Herend Shop is an American retailer distributing Moser products in Vermont.⁷⁸

6.1.8 Referrals

One of the oldest and traditional methods of customer acquisition is customer referrals. The company can encourage customers by rewarding them with discounts, virtual goods or free service. This channel of acquisition delivers very high quality traffic for the lowest overall cost.⁷⁹

MOSER, a.s. gains most of the references by supplying its products to embassies, presidential tables and diplomats. The unmistakable glass is frequently recognized and recommended.⁸⁰

**Picture 15: British Queen Elizabeth II and President Abdullah Gül of Turkey;
Splendid Collection**



Source: Moser in Royal Society – Moser Glassworks – Luxury Bohemian Crystal Glass
[online]. [cit.2014-01-19]. Available from: <http://www.moser-glass.com/files/photos/original/0/0b17f15b78e89689f5e0f5331cb2bd486b62905d.jpg>

⁷⁷ ibid.

⁷⁸ ibid.

⁷⁹ VINDICIA. Best Practices for Customer Acquisition – Vindicia. [online]. ©2006-2013. [cit. 2014-01-19] Available from: http://www.vindicia.com/sites/default/files/VN_BPG_CustAcq_F.pdf

⁸⁰ information granted by the glass factory Moser

6.2 Customer Retention

6.2.1 Beneficial Program

The products of the Moser company are very prestigious therefore any direct discounts cannot be applied when buying Moser Crystal. To ensure that the customer loyalty MOSER, a.s. offers its clients a beneficial program called Friends of Moser Crystal.

Friends of Moser Crystal is based on system of benefits for regular customers. To profit from the discounts the customers have to fill in an application form for Customer Card in any Moser store.

The loyalty program is created in three levels. The basic level is called Bordeaux. When participating in the program for specific period of time and spending a particular amount the customer moves onto a higher level of the Silver card and for the most valuable customers there is the uppermost version known as Gold card.

The holders of the Customer Card are offered various gradational discounts. Amongst those is the minimum of 8% discount when spending more than 100 000CZK and the maximum of 15% discount when spending more than 750 000CZK.⁸¹

6.2.2 Diplomatic Discounts

The renowned crystal products manufactured by MOSER, a.s. have been delivered on tables of statesmen for decades. The president Edvard Beneš sent the Splendid drinking set to English princess Elisabeth as a wedding gift in 1947. The diplomatic discount is granted to diplomats all over the world.⁸²

⁸¹ *ibid.*

⁸² *ibid.*

6.3 Sales and Support

6.3.1 Market Sphere

When doing business it is important not to be afraid of unknown and penetrate unexplored markets in order to grow the existing base. It is necessary to create a rational and accomplishable plan concerning the countries where the company wants to expand.

MOSER, a.s. is significantly growing each year. The manufacturer is doing business with over 130 countries all over the world.⁸³ The countries the glass factory is currently doing business are listed below.

Figure 1: Business Partners in Africa, Asia and Europe

Africa		Asia		Europe	
Algerie	DZ	Armenia	AM	Andorra	AN
Angola	AO	Azerbaijan	AZ	Austria	AT
Cameroon	CM	Bahrain	BA	Belgium	BE
Congo	CG	Dagestan	DG	Belorussia	BY
Cote d'Ivoire	PS/CI	Georgia	GE	Bulgaria	BG
Egypt	EG	Hong Kong	HK	Croatia	HR
Ethiopia	ET	China	CN	Cyprus	CY
Gabon	GA	India	IN	Czech Republic	CZ
Ghana	GH	Indonesia	ID	Denmark	DK
Guinea	GN	Iran	IR	Espana	ES
Kenya	KE	Iraq	IQ	Estonia	EE
Liberia	LR	Israel	IL	Finland	FI
Libyan	LY	Japan	JP	France	FR
Moroco	MA	Jordan	JO	Germany	DE
Nigeria	NG	Kazachstan	KK	Great Britain	GB
Rwanda	RW	Kuwait	KW	Greece	GR
South Africa	ZA	Lebanon	LB	Hungary	HU

⁸³ ibid.

Sudan	SD	Malaysia	MY	Iceland	IS
Tunisia	TN	Mongolia	MO	Ireland	IE
		North Korea	KP	Italia	IT
		Oman	OM	Latvia	LO
		Pakistan	PK	Lichtenstein	LI
		Palestine	PA	Lithuania	LV
		Philippines	PH	Luxembourg	LU
		Qatar	QA/QT	Malta	MT
		Saudi Arabia	SA	Moldova	MD
		Singapore	SG	Monaco	MC
		South Korea	KR	Netherlands	NZ
		Sri Lanka	SR	Norway	NO
		Syria	SY	Poland	PL
		Taiwan	TW	Portugal	PT
		Thailand	TH	Romania	RO
		Turkey	TR	Russia	RU
		Turkmenistan	TM	Serbia and Montengro	SM
		United Arab Emirates	AE	Slovakia	SK
		Uzbekistan	UZ	Slovenia	SL
		Vietnam	VN	Switzerland	CH
		Yemen	YE	Ukraine	UA

Figure 2: Business Partners in America

Central America		North America		South America	
Costa Rica	CR	Canada	CA	Argentine	AR
Guatemala	GT	Mexico	MX	Bolivia	BO
Panama	PA	USA	US	Brasil	BR
				Colombia	CO
				Ecuador	EC
				Chile	CL
				Paraguay	PY
				Peru	PE
				Venezuela	VE

Figure 3: Business Partners in Australia, New Zealand and Selected Islands

Islands		Australia	AU	New Zealand	NZ
Bermuda	BM				
British Virgin Islands	VI				
Grenada	GD				
Guadeloupe	GP				
Haiti	HT				
Jamaica	JM				
Martinique	MQ				
Puerto Rico	PO				
Seychelles	SE				

6.3.2 Methods of Payment

The Moser company aims to render its customers the best services possible with a wide range of choices to make the transactions as easy as possible. Therefore the glass factory offers many methods of payment from which the customer can choose from.

6.3.2.1 At the Delivery – CASH

The most common type is the payment at the delivery of goods which is cash. The money transmission is effected directly between the seller and the buyer without the presence of financial institution being the mediator.⁸⁴ It can be either when the consumer buys directly at any shop of the glass factory Moser or when the goods are paid when delivered to the client. MOSER, a.s. generally accepts three currencies which are the Czech crown, American dollar and Euro.⁸⁵

⁸⁴ SCHLOSSBERGER O., *Platební styk.*, page 25.

⁸⁵ information granted by the glass factory Moser

6.3.2.2 Debit/Credit Card

The payment is made through a card issued by buyer's bank which is either debit or credit and by payment terminals which play the role of an intermediary. The customers of MOSER, a.s. can utilize this method in every Moser shop around the whole world.⁸⁶

6.3.2.3 Telegraphic Transfer Remittance

Telegraphic transfer remittance or often abbreviated T/T remittance stands for a bank transfer. In the Moser company the buyer's bank simply transfer the required amount of money to the bank account of the company. For the manufacturer it is very fast and easy method.⁸⁷

The transfers are realized by the means of international telecommunication system called S.W.I.F.T. The acronym stands for The Society for Worldwide Interbank Financial Telecommunication. It is a system which enables to connect two financial institutions and helps them to transfer any data that are necessary when remitting money. The system is safe, quick and reliable.⁸⁸

6.3.2.4 Letter of Credit

Letter of credit, commonly used abbreviated as L/C, is one of the preferred payment methods favoured by MOSER, a.s especially on the field of international orders. Letter of credit is a written document issued by a bank of the buyer to accord a settlement to the seller when all the conditions are fulfilled. The payment will be settled even if the buyer fails to pay which is an immense guarantee for the buyer.⁸⁹

The main participants of the contract are the glass factory Moser acting as a seller called beneficiary, the bank of Moser – an advising

⁸⁶ *ibid.*

⁸⁷ *ibid.*

⁸⁸ SCHLOSSBERGER O., *Platební styk.*, page 286.

⁸⁹ *ibid.*, page 138.

bank, the buyer and the bank of the buyer also known as the issuing bank.

The L/C cannot be cancelled without the approval of MOSER, a.s., its bank or the bank of the buyer which issues the document which is a security for the beneficiary that the sum will reach its account.⁹⁰

6.3.2.5 Cheque

Another type of payment that is provided in the manufacture company is the possibility to pay with a cheque. The hereinabove mentioned document is a bill of exchange in other words a document ordering a payment of money from one person to another without the need of cash.⁹¹

There are three parties involved. They are as follows: the drawer and the payee and the bank who transfer the money that is called the drawee. The drawer writes the cheque to a payee who receives the amount which must be stated on the cheque itself. Besides the sum and the names of the payee, the drawee and the drawer, there has to be a date and a signature of the drawer.⁹²

There exist several kinds of cheques. They can be distinguished according to various criteria. They can be either banker's cheques or personal cheques. In case of the first type, the issuer of the cheque is the bank, on the other hand while writing a personal cheque, the drawer is an individual person.⁹³ The Moser company uses only personal cheques.⁹⁴

The cheques are crossed, also known as closed, or open. The closed cheque is one which is double crossed across the left frontal corner of the document and it ensures that the cheque will not be

⁹⁰ information granted by the glass factory Moser

⁹¹ SCHLOSSBERGER O., *Platební styk.*, page 89.

⁹² *ibid*, page 90.

⁹³ *ibid*, pages 91-93.

⁹⁴ information granted by the glass factory Moser

misused by unauthorized person. The open cheque can be withdrawn by anyone who presents it at the bank.⁹⁵

6.3.2.6 Documents against Payment

MOSER, a.s. offers a Documents against payment method of settling the amount which the buyer is due to pay. It can also be called D/P. It means that the company collects the money from the buyer directly upon seeing the necessary documents for example the shipping papers.⁹⁶

6.3.2.7 Days after Sight

The crystal producer also provides a type of payment called Days after sight, abbreviated as D/S, which means that the buyer makes the payment after particular number of days which is stated on the bill.⁹⁷

MOSER, a.s. offers following D/S options:

- a. 30 D/S
- b. 45 D/S
- c. 60 D/S
- d. 90 D/S
- e. 180 D/S⁹⁸

6.3.2.8 Partial Payment

Because of the large orders the company also provides to its customers a partial payment variation. It means that the client pays a certain amount when the goods are being ordered and he or she settles the rest when the products are delivered.

MOSER, a.s. offers following alternatives:

⁹⁵ SCHLOSSBERGER O., *Platební styk.*, page 96.

⁹⁶ ASHLEY A., *Oxford handbook of commercial correspondence*, page 147.

⁹⁷ *ibid.*

⁹⁸ information granted by the glass factory Moser

- a. 50% in advance, 50% upon delivery
- b. 60% in advance, 40% upon delivery
- c. 70% in advance, 30% upon delivery
- d. 50% in advance, 30% before expedition, 20% upon delivery
- e. 25% in advance, 75% before expedition⁹⁹

6.3.3 Methods of Transport

The glass factory Moser offers its clients as many possibilities in regards of transport as viable. In order to make the transactions smooth, fast and inexpensive the company utilizes all kinds of transport. It is realized on the basis of Incoterms which are “abbreviations that indicate which price is being quoted to the customer and they are established by the International Chamber of Commerce (ICC).”¹⁰⁰

6.3.3.1 Means of transport

Because MOSER, a.s. is an international company it has to ensure that the good it sells will be delivered all over the world the key factor being the expenses paid for the whole transport. Besides the cost factor the company also takes into account the speed of the delivery and the risk of damage of the fragile crystal goods.

The most used transport methods are considered transport by truck and by vessel. Although it takes more time, these very cheap alternatives and the rate of damaged products during the journey is almost non-existent.

The next frequently used mean of transport is air cargo. It is reasonable a bit more expensive option but it is very fast and the goods are delivered to any destination around the world.

⁹⁹ *ibid.*

¹⁰⁰ ASHLEY A., *Oxford handbook of commercial correspondence*, page 51.

Transport by rail is also a possibility for MOSER, a.s. but the routes are limited by the railway network and for that reason the company has to very often switch for another variant.

The last method, which is the most economical, is transport arranged by the delivery companies. They usually offer sundry discounts, are very reliable and provide a tracking number which means that the company knows the exact location of the products in question. Moser is currently cooperating with UPS, EMS or DHL.¹⁰¹

6.3.3.2 Incoterms

The Incoterms¹⁰² are three letter abbreviations which facilitate the transaction to both the sender of the goods and the receiver of the goods which are being sent.

The Incoterms are valid from the 1st January 2000.¹⁰³ They establish the amount which the seller and the customer have to pay and they clarify where the exchange of the goods will be carried out.

The MOSER, a. s. operates with the following Incoterms.¹⁰⁴

Figure 4: Incoterms

Incoterm	English
EXW	EX WORKS
FCA	FREE CARRIER
FAS	FREE ALONGSIDE SHIP
FOB	FREE ON BOARD CZECH REPUBLIC
CFR	COST AND FREIGHT
CIF	COST, INSURANCE AND FREIGHT
CPT	CARRIAGE PAID TO
CIP	CARRIAGE AND INSURANCE PAID TO

¹⁰¹ information granted by the glass factory Moser

¹⁰² ASHLEY A., *Oxford handbook of commercial correspondence*, page 51.

¹⁰³ SCHLOSSBERGER O., *Platbní styk.*, page 122.

¹⁰⁴ information granted by the glass factory Moser

DAF	DELIVERED AT FRONTIER
DES	DELIVERED EX SHIP
DEQ	DELIVERED EX QUAY
DDU	DELIVERED DUTY UNPAID

EXW means that MOSER, a.s. hands out the goods at the warehouse, factory or any place that has been agreed on and the costs of the delivery after the goods leave this arranged place and the documents needed are procured by the buyer.¹⁰⁵

FCA signifies that the buyer ensures his own carrier and the glass factory pays only the delivery costs to this carrier.¹⁰⁶

FAS stands for delivery option made by vessel. It entails that the Moser company settles all cost to the port. The buyer pays for all other expenses including the loading on the board.¹⁰⁷

FOB implies that the goods are delivered by vessel and MOSER, a.s. pays all the expenses to when the products are on the board of a vessel at an fixed port. All other costs are paid by the buyer.¹⁰⁸

CFR and CIF denote that the manufacturer pays all the expenses. With CFT it also guarantees insurance, in case of the CIF the insurance is not paid by the seller.¹⁰⁹

CPT is used when MOSER, a.s. pays all costs to a certain location. The buyer settles all expenses that occur after the consignment was delivered to that fixed place.¹¹⁰

¹⁰⁵ SCHLOSSBERGER, O. *Platební styk*, page 124.

¹⁰⁶ *ibid.*

¹⁰⁷ *ibid*, page 125.

¹⁰⁸ *ibid.*

¹⁰⁹ *ibid*, pages 125-126.

¹¹⁰ *ibid*, page 126.

CIP signifies that the crystal producer pays all the costs except for import charges.¹¹¹

DAF means that the Moser company is responsible for all costs to the buyer's frontier but it does not settle any import charges.¹¹²

DES implies that the parcel is shipped by vessel and the glass factory is due to pay all expenses on board of the ship but does it is not held responsible for any import charges.¹¹³

DEQ is very similar to DES but the costs covered by MOSER, a.s. are only to the port and not on the board.¹¹⁴

DDU entitles the manufacturer to pay all expenses except for the import charges thus the packet is delivered to a location in the importing country.¹¹⁵

¹¹¹ *ibid.*

¹¹² *ibid*, page 127.

¹¹³ *ibid.*

¹¹⁴ *ibid.*

¹¹⁵ *ibid.*

7 INTERVIEW – GLASS FACTORY MOSER

Being the internationally successful business the Moser company is, one of the most important departments in the company is the Export Department. Therefore the interview with the Export Director was carried out and is embodied in the thesis.

To gain some more information about the glass factory Moser the interview was realized with Mr J. Trejbal, the Export Director of the company Moser.

The interview consists of seven questions which were prepared for the interview. They concern exportation, current and future situation on the market, the company's standings amongst its competition and briefly describes the obstacles that the company has to overcome when achieving goals in the Export Department and obstacles on the market, see below.

Interview:

1) What are the current goals of the Export Department?

“This year the short-term goal for the company is to follow the successful period of past three years and mount the export takings by 8%. While meeting the target we lean on important markets such as Russia, USA, Taiwan, Japan and the United Kingdom. Having established a partnership with strategic business partner in Middle East our products will be launched in luxurious stores in Saudi Arabia, Kuwait and in United Arabic Emirates.”

2) What are the biggest obstacles while achieving those goals?

“When achieving our goals concerning export, the most important is to preservation of world economic stability. Problems of one country can influence other countries and regions and that

could have a negative impact on the fulfillment of our export objectives. Therefore we strive to spread our sale activities all over the world. Exchange rate or dynamically growing prices of input materials can also have a negative influence on our final export proceeds. But we do not expect any of hereinabove mentioned obstacles.”

3) Who forms the main competition at the moment?

“Generally, our biggest competition is any deluxe products. If we consider only international manufacturers of crystal goods then all our rivals come from France for example Baccarat, St. Louis, Lalique and Daum. Unlike our company, those firms do not fabricate ecologically lead-free crystal. However Baccarat has long tradition, it was established in 1765, and very strong marketing, its products are worldwide synonym for luxurious crystal.”

4) What are the most substantial obstacles on the market?

“I have to openly admit that the beforehand mentioned brands are more famous than our company. It is caused by tradition, strong marketing and very often the country of origin plays significant role since France is perceived as a birthplace of many deluxe products. The customer can buy a commodity which is of worse quality or higher price because he knows the brand better. Another obstacle can be the gradual change in habits of our customers when especially the markets of Western world suffer from modifications in traditional dining and suppression of wedding registers.”

5) When overcoming such obstacles how does the company proceed?

“We are very aware of the power of modern marketing therefore we have been investing in propagation materials, our own website MOSER-GLASS.COM, attractive packaging and printed advertisements published on joint markets with our business partners for years. The fact that our crystal belongs amongst the best in the world, which is confirmed by acceptance of Moser in the exclusive club Comité Colbert unifying manufacturers of luxurious goods.”

“As I have mentioned before, we have customers all over the world from different cultural backgrounds. We introduce extensive collection of new ideas concerning both classic and modern styles at trade fairs in France and Frankfurt every year. The modern design of decorative products which are of wide range of colours gains interest of our business partners. Increasing share of this category of goods not only compensate for low demand of drinking sets but first and foremost but gives rise to growing takings with higher efficiency.”

6) What are future goals of the Export Department?

“In compliance with the strategy of future growth of MOSER, a.s. the goal of Export Department is to increase takings by 50% in the next five years. It is important to achieve gradual proceeds growth at established markets with current business partners. Besides that we focus on relatively young markets with strong potential. An example can be China or India. Eastern markets represent accumulation of export takings. This will continue in the future which is beneficial for our glass factory since typical eastern customers prefer products with high added value based on the traditional glass techniques. Along with our business

partners we have to find ways to introduce our products to well endowed customers from this part of the world.”

7) How difficult is to keep up with fast market changes?

“The glass industry is changing slower than IT, car or fashion industry. Generally, it is possible to divine the trend of complete or partial mechanization of glass production because of the withdrawal of traditional crafts and rise of prices of handwork. On the contrary the glass factory Moser emphasizes the traditional handwork and skillfulness of its glass craftsmen capable of complicated glass blowing techniques, engraving or painting. Each product is a result of 100% handwork and it is an original. Unique design, wide range of glass techniques, colours and high quality are typical for our goods. This is the reason why our products are frequently purchased by presidents, ambassadors, kings or queens all over the world.”¹¹⁶

¹¹⁶ personal interview with Export Director of the glass factory Moser, Mr J. Trejbal

8 CONCLUSION

The main goal of the thesis was to describe the methods which Moser glassworks uses when handling business issues of various types, and to introduce these to the reader.

At first, it was necessary to obtain the consent of Moser that the facts stated in the thesis could be published. Secondly, it was essential to assemble relevant materials and sources for the theoretical parts which fill in and support the practical segments. Lastly it was imperative to extensively cooperate with Moser and prepare questions for the company in order to get as much succinct information as possible.

The opening chapter briefly presents the firm itself and its history to acquaint the reader with Moser. The second chapter discusses the main idea of business and specifically explains the legal form of Moser glassworks. The three succeeding chapters are composed of practical and theoretical parts which are seamlessly connected with each other. The practical parts describe the practices at Moser which are used when doing business focusing on three main parts: the product, the process and the people.

The last part consists of an interview with the export director of the company which presents Moser's future prospects and challenges that it faces in the export area.

The topic was useful to gain knowledge of commercial techniques applied in the field of international business. In addition, the constant cooperation with the company which resulted in the interview with one of its top officials outlined key elements concerning glass exports.

Based on this bachelor's thesis, further case study about the glass factory could be embarked upon. Also, it would be possible to carry out a comparison with other Czech company which is doing business

internationally. One hopes the ideas presented in the thesis would go some way in providing a useful guide for manufacturers in general and glass manufacturers in particular for the years to come.

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10 ABSTRACT

The topic of the bachelor thesis is Guidelines to doing business: A case study of Czech firm highlighting the most important business issues.

The first part of the thesis introduces the company, which is used as an example of Czech firm, and explains the core ideas of business. The second part is divided into three segments which play an important role when doing business. Every section is composed of practical and theoretical parts which are mutually linked. The emphasis is put on the examples of Moser's business strategies, methods and techniques. The last part forms an interview with the company defining the prospects and obstacles of the firm.

The main goal of the thesis is to describe particular methods that Moser uses while dealing with business matters in order to be prosperous and thriving.

11 RESUME

Téma této bakalářské práce zní Pokyny k podnikání: Případová studie české firmy zdůrazňující nejdůležitější body při podnikání.

V první části práce je představena společnost, která je příkladem české firmy, a vysvětluje základní podstatu podnikání. Druhá část je rozdělena do tří celků, které sehrávají nejdůležitější roli při podnikání. Každý úsek se skládá z praktické a teoretické části, které jsou vzájemně propojeny. Důraz je kladen na praktické příklady obchodních strategií, metod a technik společnosti Moser. Závěrečnou část představuje rozhovor, ve kterém firma Moser popisuje své vize a největší překážky, kterým čelí.

Hlavním cílem této práce je popsat konkrétní metody, které používá sklárna Moser při obchodování, aby byla úspěšná a prosperující.

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