

**UNIVERSITY OF ECONOMICS
PRAGUE**

BACHELOR THESIS

2016

SOPHIE VASAK

University of Economics, Prague
International Business



Commercial Communication of Pilsner Urquell on the Czech market

Is the current image in line with the current communication of the brand?

Author: Sophie Vasak

Thesis supervisor: Ing. Přemysl Průša, Ph.D

Scholar year: 2015-2016

Declaration:

I hereby declare that I am the sole author of the thesis entitled “Commercial Communication of Pilsner Urquell on the Czech market “. I duly marked out all quotations. The used literature and sources are stated in the attached list of references

In Prague on

Signature

Acknowledgement –

I hereby wish to express my appreciation and gratitude to the supervisor of my thesis,
Ing.Přemysl Průša, Ph.D

Content

Introduction	3
1. Defining the terms	4
1.1 Brand	4
1.1.2 Brand identity, brand image and brand positioning.....	8
1.1.3 Brand value	10
1.1.4 Brand management	11
1.1.5 Brands' strategies	18
1.2 Marketing.....	20
1.2.1 Marketing strategy and its different types.....	20
1.2.2 Marketing segmentation, targeting and positioning	22
1.2.4 Marketing MIX and the 4P's	23
1.2.5 Commercial Communications.....	24
2. The analysis of the Czech beer market and Pilsner Urquell's position.....	26
2.1 Presentation of the Czech beer market	26
2.1.1 The beer market	26
2.1.2 Beer brands in Czech Republic.....	28
2.1.3 Czech beer consumers's behavior.....	31
2.2 The case of Pilsner Urquell.....	35
2.2.1 Pilsner Urquell's history	35
2.2.2 Pilsner Urquell's position in the Czech Republic	36
2.2.3 Target segment of Pilsner	37
2.2.4 Positioning of Pilsner Urquell: its differences against its competitors..	38
2.2.5 Marketing MIX.....	39
2.2.6 Commercial communication of Pilsner Urquell.....	41

2.2.7 Pilsner Urquell's image in Czech Republic.....	43
3. Answer to the research question, recommendations.....	44
Conclusion.....	48
Resources.....	50
Annexes List	
Annexes.....	

Introduction

It is widely assumed that the word beer goes with Czech Republic. Although, is that really true? It is known that Czech Republic has been able to benefit from a huge heritage of beer traditions and produces very famous beer of high quality, one especially, Pilsner Urquell. Pilsner Urquell is thought of as the leader on the Czech beer market. For this reason, the main research question that arose: *is the current image in line with the current communication of the brand?*

The hypothesis for this thesis will be: The current image is in line with the current communication of the brand.

The methodology will be simple but clear. To begin with, the terms used throughout the thesis will be defined. The beer market in the Czech Republic will, first, be analysed using the currently available secondary resources.

The largest part of the thesis will contain the case study of the Pilsner Urquell brand. In order to examine the current brand image, a questionnaire survey will be performed. The results will be further analysed and either confirm or infirm the hypothesis and the following brand recommendations.

The reason why this specific topic has been chosen is because it is current and very present, especially in the Czech Republic given the fact that it has always been “the” country of beer in terms of production and consumption. Furthermore, in the studied country, drinking beer is a national activity. The choice of the company Pilsner Urquell is related to the fact that the company is well known throughout the world and comes from the Czech Republic. The Pilsner Urquell beer was also chosen because it is the most expensive Czech beer on the Czech market.

While writing this thesis, different resources have been used such as: books on marketing, books on brand management and different articles. In addition, official resources from official websites have been used, for instance, official information from Pilsner Urquell’s Czech website (Plzensky Prazdroj).

1. Defining the terms

In this first part, every term that will be used in the thesis will be explained. The aim of this theoretical part is to prepare the readers with the second part as to make them more familiar with the vocabulary that will be used in the second part and help them understand more the second part, which is the analysis of the company Pilsner Urquell.

1.1 Brand

Firstly, in this part, the term brand and what it refers to will be explained. Then, brand identity, brand image and brand positioning will be dealt with. Later on, brand value, brand management will be explained and to finish different brands' strategies will be cited.

To begin with, when people think of brands, several words can come up to their minds, such as luxury, Coca-Cola, Chanel, Dior, feelings, business, a company or even a logo, and the list could take on for some time. The point is that, brands are everywhere nowadays and it cannot be denied that everybody knows the word brand. Although, is it really what people think it is? Is it just a logo? A picture? A colour? Some feelings? An advertisement? As it turns out, a brand is everything just stated above and even more. Many definitions of what is a brand exist and they all differ. In addition, each individual has his own definition of a brand. For this reason, it has been decided to present different definitions in order for the readers to see different perspectives. For now, what are some different definitions?

To start with, here is a widely known definition. According to the American Marketing Association (1960) a brand is:

“ A name, term, sign, symbol, or design, or a combination of them which is intended to identify the goods or services of one seller or a group of sellers and to differentiate them from those of competitors ”¹

This is a simple definition and probably the most common to people.

¹Heding, T., Knudtzen, C. and Bjerre, M. (2009). *Brand management*. London: Routledge.

Now, according to G.Franzen a brand is:

*“A network of association in the minds of consumers.”*²

In this definition, the term associations are introduced as a definition for a brand.

In addition, the legal definition of a band is:

*“ A sign or set of signs certifying the origin of a product or service and differentiating it from the competition ”*³

This definition is simplistic. Although it is a general definition and easy to use in any circumstances, it fails to take into account a main important fact of a brand: consumers' feelings. If one were to ask another person: why do you buy Nike shoes, for instance, and not another unknown brand? In fact, one might say the quality or the price but it will not be denied that it is also because of the feeling the brand gives to people. When having Nikes, one might feel accepted in a community or fashionable. Regardless of which feeling it is one feel, the feelings are still here. This leads to a second definition. Keller (1998) defined a brand such as:

*“ A brand is a set of mental associations, held by the consumer, which add to the perceived value of a product or service ”*⁴

The mental associations Keller refers to should be unique (exclusivity), strong (saliency) and positive (desirable).⁵ For Keller, a brand is not just one diet Coke from Coca-Cola or a Chanel bag someone purchases, but is also these different associations. A brand has to be perceived as different by its consumers, strong and desirable. When thinking of why Apple became the main leader regarding mobile phones, one might tell you it is because of its new technology (Siri for example), because of its design or because everybody else was keen on Apple's products. But all of these reasons go the same way as Keller does with the mental associations he refers to. New technology? This refers to exclusivity. Nice design? This refers to desirable and saliency. For Keller, the brand should be strong, appeal to consumers and have something different. What Keller refers to is: the “feeling” part that was mentioned previously.

² Retrieved from: Premysl Prusa's presentation: Brand Management. November 2016, Prague, Czech Republic.

³ Kapferer, J. (2008). *The new strategic brand management*. London: Kogan Page.

⁴ Kapferer, J. (2008). *The new strategic brand management*. London: Kogan Page.

⁵ Kapferer, J. (2008). *The new strategic brand management*. London: Kogan Page.

There is a saying that says: “you do not buy a product, you buy the brand”. This saying is true because if one really wanted just football shoes he would go to any shop and buy a pair, but why Nike especially? In fact, it is all about the feelings. This is also true for any other well-established brand. One wants to buy a new bag, why not just buy a bag in a small shop in the suburbs? Because one does not feel anything while buying a bag from a small shop but he does when he is buying a bag from Chanel, to cite an example. One is also more likely to buy a Chanel bag rather than an unknown brand because of trust. How to build these different criteria will be dealt with later in this chapter. The following definition is to be analysed:

“What is a brand? It is a name that influences buyers. What is the source of its influence? A set of mental associations and relationships built up over time among customers or distributors.”⁶

This definition is similar to Keller’s definition but it introduces a new interesting aspect: “relationship”. Without a relationship, people would not come back and buy the same brand again. This is highly related to trust. As a matter of fact, a relationship does not exist without trust. This will be very important when talking about brand management. According to Kapferer in the 4th edition of the new strategic brand management: *“brands are like amoeba”*. The way they are perceived changes everyday as well as brands themselves. Because of that, different approaches have been developed and are called “schools of thoughts”. According to Tilde Hoeding, Charlotte F.Knudtzen and Mogens Bjerre in *Brand management*,⁷ there exist seven approaches:

- The economic approach: the brand as part of the traditional marketing mix
- The identity approach: the brand as linked to corporate identity
- The consumer-based approach: the brand as linked to consumer associations
- The personality approach: the brand as human-like character
- The relational approach: the brand as a viable relationship partner
- The community approach: the brand as the pivotal point of social interaction
- The cultural approach: the brand as part of the broader cultural fabric

⁶ Kapferer, J. (2008). *The new strategic brand management*. London: Kogan Page.

⁷ Heding, T., Knudtzen, C. and Bjerre, M. (2009). *Brand management*. London: Routledge.

In this thesis, only three of these approaches will be described and compared: the community approach, the relational approach and the identity approach.

To start off, the identity approach is the fact that the brand is linked to the corporate identity. It exists within the corporation. According to Kapferer⁸:

“The brand should express one unified and coherent identity, internally as well as externally, by using the visual and behavioural identity of the corporation to build the brand”

This means that, the brand should not have two identities, which is often the case, but one. The company’s employees should know why they are working for this brand and what is the message the brand wants to share. The two main concepts in the identity approach are the visual identity and the behavioural identity. The visual identity first came up with Olins⁹ when he suggested that the questions “*What are we?*” and “*who are we?*” should be answered when creating a visual identity. Then the behavioural identity, which is according to Kennedy¹⁰, that consumers perceived a company based on their experience with the company/brand. In this approach, the whole company is linked to the brand. For instance, one has to choose a shampoo. Will it choose a Dove shampoo or a Garnier shampoo (from the company L’Oréal)? In fact, one will do so according to the experience it had with a certain brand. For instance, one had a very good experience with Kérastase (another brand from the L’Oreal group), then, one will more likely choose Garnier because he perceived the company based on his experience. The company’s reputation is very important in this approach and will be mentioned later in the brand management chapter.

The second approach that will be cited in this thesis is the relational approach. According to Kapferer: “ *The brand is perceived as a viable relationship partner*”¹¹

People deal with relationships during their whole life: friendships, life partners, co-workers etc. What relationships are about is well known to people. People have a link with a brand. One that buys only iPhones in his life has a relationship with Apple. The term loyalty can be mentioned here. Having a relationship with a

⁸ Kapferer, J. (2008). *The new strategic brand management*. London: Kogan Page.

⁹ Heding, T., Knudtzen, C. and Bjerre, M. (2009). *Brand management*. London: Routledge.

¹⁰ Kapferer, J. (2008). *The new strategic brand management*. London: Kogan Page.

¹¹ Kapferer, J. (2008). *The new strategic brand management*. London: Kogan Page.

brand is very similar to being loyal to a brand. Although, the relational approach goes more in depth concerning why and how consumers choose one brand. Whereas, loyalty is only about if one is to buy a brand repeatedly.

The last approach that will be defined is the community approach. It is based on consumers sharing different experiences, their feelings about a brand that passionate them.

As an example of this approach, the brand Jaguar introduced a “jaguar club”:

*“We are a group of people who enjoy the company of other Jaguar enthusiasts. We enjoy dining together, driving our cars together and attending various events together. Whether you now own a Jaguar, would like to own a Jaguar, or once owned a Jaguar you are welcome to join us for fun, feasting, and general merriment.”*¹²

The point of this approach is to create a community around a brand/product in order to make consumers feel close to the brand. This is closely linked to building a relationship with consumers, being the relational approach. These three approaches are very similar in the sense that the how and the why a brand is created, is the main purpose when building a brand. Even though, the identity approach is more about the why and how, answering these questions and letting the company and the consumers know, builds a relationship with the consumers.

1.1.2 Brand identity, brand image and brand positioning

Now that the readers are more aware of what a brand is, the terms brand identity, brand image and brand positioning will be dealt with.

According to Kapferer, brand identity *“refers to the identity of the brand”*¹³

Or according to Aaker and Joachimsthaler (2002) brand identity is:

*“A set of associations the brand strategist seeks to create or maintain.”*¹⁴

¹² Jcna.com, (2016). *Jaguar Clubs of North America* |. [online] Available at: <http://www.jcna.com> [Accessed 29 Feb. 2016].

¹³ Kapferer, J. (2008). *The new strategic brand management*. London: Kogan Page.

¹⁴ Hedning, T., Knudtzen, C. and Bjerre, M. (2009). *Brand management*. London: Routledge.

Brand identity is based on the brand's vision and promise. It is how a certain company wants its brand to be seen in the eyes of consumers. Here, uniqueness is sought.

Aaker defined a concept of brand identity as:

- Brand as a product: the product scope, the product attributes, the quality/value, the users and the country of origin.
- Brand as a person: is the personality genuine or energetic? Brand-customer relationships, is the brand a friend or an adviser?
- Brand as symbol: visual imagery, metaphors and brand heritage.
- Values proposal: functional values, emotional values or values of self-expression. Is the consumer going to see himself through the brand?

The aim of this concept is to create a strong brand strategy.

On the contrary, brand image is how consumers perceive a certain brand. In a perfect world, brand identity and brand image are the same but it is often not the case. Aaker and Joachimsthaler (2002) refer to brand image as:

*"Some attitudes towards a brand."*¹⁵

People will create a certain image based on how they feel towards this particular brand.

To continue, brand positioning is defined as:

*"To position themselves in the minds of consumers by adapting the most congruent and consistent commercial message"*¹⁶

Companies try to make consumers buy their product instead of another company's product. They want to have a privileged place in the minds of consumers. This is brand positioning.

Keller's concept for brand positioning consists of three steps:

- Target segment: Who is the target consumer? Adults, young adults or elderly?
- Competition: What are the main competitors?

¹⁵ Heding, T., Knudtzen, C. and Bjerre, M. (2009). *Brand management*. London: Routledge.

¹⁶ Heding, T., Knudtzen, C. and Bjerre, M. (2009). *Brand management*. London: Routledge.

- UPS (Unique Selling position): what makes a brand's product different from competition and that would make the brand able to attain a large share of the target market. For instance, "fast relief" is one that is widely used in pain relief medication.

1.1.3 Brand value

To continue, in this subchapter, brand value will be explained.

A brand value is how much a consumer values a brand. A brand's value is often calculated according to its brand equity. Brand equity should be calculated based on the brand awareness, which is how well is the brand known. But also, based on brand associations, consumer preferences and market position of the brand (does it have a high market share?).

According to *Aaker and Biel (1993)*:

*"A consumer perceives a brand's equity as the value added to the functional product or service by associating it with the brand name."*¹⁷

Keller came up with one way of calculating a brand's value: the customer-based brand equity model (see Annexe 1). This model depicts what it takes to build a strong brand. It also presents six dimensions of brand equity: Brand salience, brand performance, brand imagery, consumer judgements, consumer feelings and brand resonance. The higher the brand is on the pyramid the stronger its brand equity, thus its brand value.

There exist various ways to calculate a brand's value and it hasn't been proved that one is better than the other. A first example is **the market based brand valuation**, which is the process of assessing a brand's value based on similar brands that are, for instance, the same market quote. Another way of calculating a brand's value is **the income approach brand valuation**, which calculates the value of the future earnings of the brand and based on that, determines the value of the brand. The problem of a brand's value is that it often depends on the brand's image and reputation, once the trust is breached, the brand loses in value.

¹⁷ Heding, T., Knudtzen, C. and Bjerre, M. (2009). *Brand management*. London: Routledge.

Below are the most valuable brands in 2011 and 2012.

Table 1: Table MOST VALUABLE BRANDS IN 2011 and 2012

2011	2012
1. Apple (\$153,285)	1. Google (\$114,260)
2. Google (\$111,498)	2. IBM (\$86,383)
3. IBM (&100,849)	3. Apple (\$83,153)
4. McDonald's (\$81,016)	4. Microsoft (\$76,344)
5. Microsoft (\$78,243)	5. Coca Cola (\$67,983)
6. Coca-Cola (\$73,752)	6. McDonalds (\$66,005)
7. Marlboro (&57,326)	7. Marlboro (\$57,047)

Source: *Sophie Vasak, based on Premysl Prusa's power point presentation (November 2015)*

1.1.4 Brand management

Now that the word brand is more familiar to the readers, brand management will be explained. According to S.M.Davis Brand management is:

“ A process of brand value management ”¹⁸

This means that brand value is at the heart of brand management. The aim for any brand manager is to be able to control the value of its brand and to create brand equity. There are different ways to manage a brand and these different ways vary according to how someone perceives a brand.

To begin with, as a more general idea of brand management, brand management according to S.M.Davis will be discussed. S.M.Davis cuts the brand management process in these following steps:¹⁹

Brand vision

I. Brand vision determination

Brand picture

II. Brand Identity

III. Brand promise

IV. Business model

¹⁸ Retrieved from: Premysl Prusa's presentation, Brand management, November 2015, Prague, Czech Republic.

¹⁹ Retrieved from: Premysl Prusa's presentation, Brand management, November 2015, Prague, Czech Republic.

Brand management strategy

- V. Brand positioning
- VI. Brand Extension(s)
- VII. Communication Strategy
- VIII. Distribution
- IX. Price, Price Premium

Organizational Culture oriented on Brands

- X. Brand management effectiveness
- XI. Organizational culture

The three first steps will be defined in more details: brand vision, brand picture and brand management strategy.

First of all, S.M.Davis said that **brand vision** has to be determined. The role of the brand and how it is in line with the company's values are created. This is a very important step because it will create the success of the brand. A brand should aim for consistency regarding its vision and values. The brand vision has to be inspirational and be able to touch consumers. The brand vision has to make consumers feel something that will make them want to buy this particular product. In the same way, a brand vision has to show the differences there are between one brand and its competitors. Why is it better to buy Nike shoes rather than Adidas shoes? If the brand vision is well set then it will inspire employees to develop plenty of marketing ideas to develop the brand and thus, make people buy a particular brand over another.

The brand vision is at the core of the business strategy, it has to be aligned. To better understand what a vision is about, a few examples are going to be given.

Apple Computer's vision: *"We believe that we are on the face of the earth to make great products and that's not changing. We are constantly focusing on innovating. We believe in the simple not the complex. We believe that we need to own and control the primary technologies behind the products that we make, and participate only in markets where we can make a significant contribution. We believe in saying no to thousands of projects, so that we can really focus on the few that are truly important and meaningful to us. We believe in deep collaboration and cross-pollination of our groups, which allow us to innovate in a*

*way that others cannot. And, frankly, we don't settle for anything less than excellence in every group in the company, and we have the self-honesty to admit when we're wrong and the courage to change. And I think regardless of who is in what job those values are so embedded in this company that Apple will do extremely well”*²⁰

PepsiCo's vision: *“PepsiCo's responsibility is to continually improve all aspects of the world in which we operate- environment, social, economic- creating a better tomorrow than today. Our vision is put into action through programs and a focus on environmental stewardship, activities to benefit society, and a commitment to build shareholder value by making PepsiCo a truly sustainable company.”*²¹

These different examples enable one to better understand the true basis of a brand vision, which is, why a brand exists.

Then, based on brand vision, **brand identity** is created. It is about the way a company wants its brand to be perceived by consumers.

Brand identity is defined as:

*“Brand identity is the representation of your company's reputation through the conveyance of attributes, values, purpose, strengths, and passions.”*²²

If one creates a company and decides to have values such as respect, then, the brand identity will be based on that. Brand identity, as mentioned before, is also about how one wants to make people feel when they discover a product.

Jean-Noel Kapferer created the Brand identity prism (see Annexe 2), which represents the aspects of brand identity, these aspects are: physique, personality, culture, relationship, reflexion and self-image.

The *physique part* is all the aspects of a brand that are visible, such as the logo, the size or the form of a product. For instance, everybody knows the green Starbucks logo. Indeed, this is a part of the physical aspect of a brand.

²⁰ YourDictionary, (2016). *Best Examples of a Vision Statement*. [online] Available at: <http://examples.yourdictionary.com/best-examples-of-a-vision-statement.html> [Accessed 29 Feb. 2016].

²¹ YourDictionary, (2016). *Best Examples of a Vision Statement*. [online] Available at: <http://examples.yourdictionary.com/best-examples-of-a-vision-statement.html> [Accessed 29 Feb. 2016].

²² Kolowich, L. (2016). *The Marketer's Guide to Developing a Strong Corporate and Brand Identity*. [online] Blog.hubspot.com. Available at: <http://blog.hubspot.com/blog/tabid/6307/bid/34238/The-Marketer-s-Guide-to-Developing-a-Strong-Brand-Identity.aspx> [Accessed 29 Feb. 2016].

Then there is the *personality of a brand*, what character it has. Coca-Cola, for instance, is cool, playful and happy. Nike might be motivational or exciting. Dior might be nice or luxury. Each brand has a certain personality it wants to share with consumers.

To continue, there is *culture*. Culture is all of the values and beliefs it bases the brand on. Coca-Cola's values and beliefs are, for instance, sharing, family and friends.

After, there is the *self-image*, which is how the consumer perceives himself when consuming a product. When one owns a Hermès bag, for instance, he sees himself as a fashionable person with luxury tastes. A Coca-Cola drinker sees himself as someone fun who is enjoying life.

The *relationship aspect* is the relationship a brand might symbolize between people. Coca-Cola, for instance, symbolizes the relationship between two friends or two family members.

Last but not least, there is *the reflection*, which is the typical buyer. A typical buyer for an iPhone might be a person addicted to the latest technologies or a fashion want-to-be.

Then, back to S.M.Davis's brand management model, **there is the brand promise**. This is a very important aspect of brand management, one of the number one targets for a brand manager. If a company breaks its promise, then it can be sure it will lose hundreds of customers and develop a bad reputation. A brand promise is what a company says it will do, similar to a mission. It is highly recommended for a company not to break this promise otherwise there will be a breach of trust with consumers. The brand promise is the basis for a trustful relationship.

Some examples of brand promises are:

Virgin: *"To be genuine, fun, contemporary, and different in everything we do at a reasonable price."*²³

Coca-Cola: *"To inspire moments of optimism and uplift."*²⁴

²³ Jr, B. (2013). *A Brand is a Promise: 3 great examples of strong brands that make strong promises* - Bill Marsh Jr. [online] Bill Marsh Jr. Available at: <http://www.billmarshjr.com/a-brand-is-a-promise-3-great-examples-of-strong-brands-that-make-strong-promises/> [Accessed 29 Feb. 2016].

²⁴ Jr, B. (2013). *A Brand is a Promise: 3 great examples of strong brands that make strong promises* - Bill Marsh Jr. [online] Bill Marsh Jr. Available at: <http://www.billmarshjr.com/a->

The brand promise is what the brand promises to consumers. This should make consumers choose a brand's product over another brand's product.

Later on, based on the brand vision, brand identity and brand promise, companies create a **business model**. This business model is somehow the organizational part of a company. In the business model you can find which products is the company going to develop, with which resources or where will the company develop the product.

Then, comes **brand positioning**. Brand positioning has been defined, a few chapters before, as:

« position themselves in the minds of consumers by adapting the most congruent and consistent commercial message. »²⁵

The whole purpose of brand positioning is to create a certain place in consumer's mind, why would a consumer choose a certain product and not another one. A brand with a very high spontaneous brand awareness usually has a good position in the minds of consumers. Spontaneous brand awareness is if one asks the following question : Which sport shoes brands do you know ? If one brand were to come up repeatedly, then it would have a very high spontaneous brand awareness since people think of it without having had any clues. The difference between spontaneous brand awareness and aided brand awareness is that the consumer has no clue regarding brands whereas for the aided brand awareness, the one that conducts the market research asks a question and gives several examples of brands. Usually it is more relevant to evaluate the spontaneous brand awareness as it really does give a representation of the brand's position in the consumers' minds.

Brand positioning must make sure that (based on Keller's concept of brand positioning) :

- The target segment is well defined.
- The competition is known.
- UPS, how is one's product different from competitors.

Then comes, **brand extensions**, which is the process of using a brand name to create a new product category. For instance, when the Arizona tea product wanted

brand-is-a-promise-3-great-examples-of-strong-brands-that-make-strong-promises/ [Accessed 29 Feb. 2016].

²⁵ Heding, T., Knudtzen, C. and Bjerre, M. (2009). *Brand management*. London: Routledge.

to launch nachos chips. Brand extension is a very risky process and just because a brand is very successful in one product category, does not necessarily mean that it will work in another product category.

After, there is the **communication strategy**. Here, the company has to decide which way it would want to go regarding communications. There are four questions a company should ask itself before deciding on its communication strategy : who (Audiences), how ? (Tactics), what ? (Messages) and finally, why ? (Goals).

This step is not to be missed since it will guide the whole communication process. By defining who the company is targeting, the company will be able to adjust accordingly to its target group. It is widely known that youngsters do not have the same wishes as elderly have. See Axe, for instance, one of its advertisement was all about « getting » girls. Well, this surely is addressed to youngsters in college whose number one priority could be flirting. This of course, is general, there may be exceptions. Then, how does a company want to communicate its brand ? Via social media ? Television spots ? Or billboards ? The public will not be the same depending on the tools used.

To continue, there is defining the message a company wants to deliver. Does it want to share happiness, sadness, joy or excitement ? This should be in line with the vision and the promise the company chose for a brand. If a brand's vision, like Coca-Cola, is to make the community happy, it will not communicate a sad message. It is important that everything is consistent and logical regarding the brand. Finally, there is the why? Why would a brand want to share this particular fact? What is the goal for the brand ? Based on these four questions, a company can build a communication strategy for its brand.

Now, different ways of improving a brand's communication strategy will be cited. Based on *hubspot.com*²⁶, one of the first advice to boost a brand's communication strategy is to be authentic. One should not lie about a product. How many times has one heard another person coming out of a store and complaining because the sales' person was lying about their products. It is highly recommended to take this advice into account because a brand is all about trust.

²⁶ Moraes, M. (2016). *11 Tips to Help Improve Your Brand's Communication Strategy*. [online] Blog.hubspot.com. Available at: <http://blog.hubspot.com/marketing/brand-communication-strategy> [Accessed 29 Feb. 2016].

Trust in the company, trust in the product. Here, it is very important to remember the relationship definition of a brand mentioned earlier in the chapter. This is the basis to build a strong relationship, and thus, loyalty for a brand. Another advice is when one is communicating via social medias such as Facebook, Instagram or Twitter, it is always nice to build a conversation with consumers. This again, builds a strong relationship. One good example is when the brand Oreo is talking to its consumers and building a relationship with them (see Annexe 3).

It is widely known that when someone posts a comment or an idea, he likes to know that someone is behind and is listening to him.

To continue, another advice is to create “buyer personas”, which usually is the typical consumer of a brand. For this part, Disney Land can be cited. It knows who are the brand’s “buyer personas” and whom it is talking to.

In addition, another advice is to show the brand’s personality. Whether it is funny, intelligent or original, it permits people to attribute real traits to a brand and thus, recognize themselves in it. A good example is Old Spice’s advertisement, known to have a funny brand personality (see Annexe 4).

Now, back to Scott M.Davis’s brand management vision. After the communication strategy, there is the **distribution**. This is part of the marketing mix, which will be dealt with later on in this chapter.

After, there is the **price, price premium**, which is also part of the Marketing mix but it is important to talk about it in this subchapter. There are different brand strategies regarding the prices. One can choose to be the cheapest in some area, such as Walmart the retail shop in the United States, or one can choose to attribute a high price to its product, for instance, Pilsner Urquell the beer, which is the brand chosen for this thesis. A company should be very careful when choosing its price strategy because it will have consequences on the whole brand management process. For instance, the company will communicate its brand mainly to wealthy consumers if it has chosen a price premium strategy.

The definition of a price premium is according to Business dictionary: *“The marketing practice of selling an elite product at a cost level above that of its competition in order to make it appeal to more exclusive and wealthy*

consumers. »²⁷

After having talked about Scott M.Davis's brand management vision, it can be mentioned that Keller's brand identity concept could also be used for brand management. The whole concept of Keller was aimed at building a strong brand.

First, the brand as a product. It is crucial that the product scope, product attributes, the quality, users and the country of origin, are to be set. This will be the first step for brand management.

Then, the brand as a person. Since people like to attribute themselves to a brand, it is highly recommended to create some brand personality. Would one want to see a brand as genuine or energetic? Depending on the strategy and the product being launched, it is important to choose wisely and to track this brand personality.

Later, there is the brand as a symbol, for instance, the logo the brand has created that will represent the brand. It is important that everything is in accordance with the previous steps.

To finish, there is the values proposal. What kind of values does a brand want to share with people? As mentioned earlier, Coca-Cola wants to create a « nicer world, make people come together » so one of Coca-Cola's value could be friendship and family.

All of this will permit the consumer to see through the brand and create some kind of relationship. This leads to the next subchapter, brands' strategies.

1.1.5 Brands' strategies

According to study.com a brand strategy is:

*“A formal plan used by a business to create a particular image of itself in the minds of current and potential customers.”*²⁸

A brand strategy is how a company places the brand's identity in the head of customers. How is the company going to make people see the brand, as it wants the brand to be seen? A good brand strategy will permit the brand to grow in the

²⁷ BusinessDictionary.com, (2016). *What is price premium? definition and meaning*. [online] Available at: <http://www.businessdictionary.com/definition/price-premium.html> [Accessed 29 Feb. 2016].

²⁸ Study.com, (2016). *What Is Brand Strategy? - Definition, Examples & Development* | Study.com. [online] Available at: <http://study.com/academy/lesson/what-is-brand-strategy-definition-examples-development.html> [Accessed 29 Feb. 2016].

market place, have a high brand value and thus, to become an iconic brand. To sum it up, a good brand strategy is crucial for a successful brand. There exist different brands' strategies that will be cited now.

Firstly, a company can choose **one name for the brand and company**. There is one name for a different range of products. The company Mercedes Benz uses this strategy.

Another strategy is **individual branding**, which is the fact that each brand has different names regardless of the company's name. For example, L'Oréal group has different brands within the company such as YvesSaintLaurent or Lancôme, and these different brands compete with one another.

To continue, another strategy is also **attitude branding**, which is the fact of attributing feelings to a brand. Brands, such as Nike, Starbucks or Apple, use this strategy. It is more about making the consumer feel something and permit him to see himself in a product. It is strongly related to the community vision of the brand. Often, these brands are iconic brands, very successful ones.

Then, there is the strategy of **brand extension**. Once a brand is successful it can choose to extend its range of product. For instance, a lot of fashion stores launched their fragrance, such as the retail store Zara. Although, if not chosen well, brand extension might not work well. As mentioned previously in the chapter, Arizona tried to launch a new product: chips and this did not work very well.

In the same way, another strategy could be **multi-brands strategy**. A company has different brands in its portfolio. L'Oréal, already mentioned, is an example of such strategy. The company Procter & Gamble also uses this strategy.

Finally, there is the **private labels strategy**, which is widely used for retail stores. There is no retail store that does not have its own private label, or very rarely.

These few examples of brands' strategy each have their drawbacks and advantages. In the case of multi-brands, one does not necessarily know that Lancôme is part of L'Oréal group and thus, even if one has a bad experience with Lancôme, it will not automatically have a negative impact on the whole group. In the same way, a bad experience with one brand can have a negative impact on every brand part of the group. On the other hand, implementing the attitude

branding strategy could have huge negative impacts as soon as the brand breaches the promise it had made to consumers.

As mentioned previously, every brand strategy has its pros and cons but the main point to remember is to use the strategy wisely and to keep in mind that a brand is about trust and relationship. If a company does anything that makes the consumer feel, as it cannot trust a brand, the brand will suffer.

1.2 Marketing

After getting into details about brand, brand management or even brand vision, it is now time to go through the marketing terms that will be used throughout this thesis.

1.2.1 Marketing strategy and its different types

A marketing strategy can be defined as:

*“An organization’s strategy that combines all of its marketing goals into one comprehensive plan.”*²⁹

The **first step** in the marketing strategy process is to analyse the situation. This could be done through *PEST analysis*, *SWOT analysis* or even *5C analysis*. Another way to evaluate the situation is to use Porter’s model: *Porter’s five forces*. It analyses the threat of new entrants that could harm one’s business, the bargaining power of buyers, the bargaining power of suppliers and the threat of substitute products or services.

In addition, *the BCG matrix* is also important to be mentioned here. This model enables a business to decide on which product it should focus on. It puts a company’s portfolio into four categories: the stars (high growth, high market share), the cash cows (low growth, high market share), the dogs (low growth, low market share) and the question marks (high growth, low market share). This first step will permit one to establish the situation and know the market better.

²⁹ BusinessDictionary.com, (2016). *What is marketing strategy? definition and meaning*. [online] Available at: <http://www.businessdictionary.com/definition/marketing-strategy.html> [Accessed 29 Feb. 2016].

Then, **the next step** is choosing a marketing strategy. Building a good marketing strategy depends on a good market research and thus, a good marketing mix. Marketing strategy is the cornerstone to build a marketing plan. One should be aware of what types of consumers the product is targeting, how it will advertise a product, the price and the place. One should also be aware of its strengths and weaknesses and conduct a SWOT analysis (Strengths-Weaknesses-Opportunities-Threats). This will help him define a future development for his product.

Further to this, it is time to make the **marketing MIX decisions** based on the situation assessment conducted before.

After all of this has been made and decided, **implementation comes**. Once everything has been implemented, one should not forget to **control** often his strategy and the situation, as to be able to make some changes if needed.

Now, below are a few examples of different marketing strategies:³⁰

- Relationship marketing, which is focusing on the relationship with consumers instead of the number of sales.
- Diversity marketing, which is having different target segments (people who have different taste or beliefs, for instance.)
- Online Marketing, which is the process of getting close to consumers via online tools, such as social medias.
- Event Marketing, which is the process of creating an event in order to attract new consumers.

These are a few examples of different marketing strategies but of course, a lot of other marketing strategies exist and each of them has drawbacks and advantages. The whole point is to know consumers; what they like, dislike or what they need. Also, it is important to know competitors and how their products differ from the product one will create.

In addition, marketing strategies are about keeping track. One should always be aware of what works, what does not and make changes accordingly.

³⁰ Jeffrey, B. (2016). *52 Types of Marketing Strategies* – *cultbranding.com*. [online] Cultbranding.com. Available at: <http://cultbranding.com/ceo/52-types-of-marketing-strategies/> [Accessed 29 Feb. 2016].

1.2.2 Marketing segmentation, targeting and positioning

Marketing segmentation, targeting and positioning also known as the STP model is another widely used process in marketing. The first term that will be discussed is **segmentation**. The whole aim of the segmentation process is to divide consumers in different groups that are homogeneous inside. To do so, one can use different approaches such as:³¹

- Demographic: *divide people in groups depending on the age, the sexuality, the education or the occupation.*
- Geographic: *divide people into groups depending on the country they live in, the state, the city or the neighbourhood.*
- Psychographic: *divide people based on their lifestyles, on their values or on their personality.*
- Behavioural: *divide people depending on how loyal they are, what kind of benefits they look for when buying a product or how they use a particular product.*

These different approaches are to be used when segmentation is made. It will permit one to better understand consumers and to later decide on which segment to target.

Consequently, the next term that will be explained is **targeting**. The targeting process is, based on the different segments that were created, to decide which one to target. To do so, one should evaluate the profitability of each segment and see how one's company can service a particular market segment. To analyse if a company can service well a particular market, one can conduct a PEST analysis (Political, Economical, Social and Technological) and see if there are any barriers to the well development of a product/brand. For example, Coca-Cola very well

³¹ Segmentation criteria, based on Premysl Prusa's presentation Consumer behaviour, October 2015, Prague Czech Republic.

established in the world, had big problems when entering the Indian market because of social issues.

Last but not least, the **positioning** process, which is to choose how one wants to position itself in a market segment, which idea does one want to place in the mind of consumers. One will have to decide on: who exactly are the competitors and what are the points of difference from the competitors.

After processing these three steps, the marketing mix will be selected. This leads to the next subchapter.

1.2.4 Marketing MIX and the 4P's

It is a known fact that marketing Mix and the 4P's has become an important part, if not a crucial part in marketing. To start, marketing MIX will be defined. The term marketing MIX was first expressed by E.J. MacCarthy in 1960 and one widely known definition is:

“ Marketing Mix is about putting the right product or a combination thereof in the place, at the right time, and at the right place. ”³²

The whole process of marketing mix is based on the 4P's, which has known a few changes throughout the years. The 4P's are: Price, Product, Place and Promotion (see Annexe 5).

In order for the term 4P's to be clearer to people, a small definition of each P will be given.

First of all, **Product**. Product refers to what will be sold, is it a cup or a dress? What is one going to sell should be clear and decided after conducting a market research. How will one's product be different compared to its competitors? What features will it have? What are the consumers asking for or need? After answering a few questions such as the ones above, one will be able to have a clear idea of his product. A product usually has three layers. The first layer is the core product, then the actual product and finally the augmented product. The core product is what is called the „benefit“, for instance, for a car it will be the convenience, it

³² Mindtools.com, (2016). *Segmentation, Targeting and Positioning Model: Increasing Revenue by*. [online] Available at: <https://www.mindtools.com/pages/article/stp-model.htm> [Accessed 29 Feb. 2016].

makes the product valuable. Then, there is the actual product, which refers to all the physical aspects. Finally, the augmented product refers to all that brings extra value to a product, for instance, high customer service.

To continue, **Place**, is also another P in the 4P's. Where do people go looking for a product, in a retail store or a boutique? The type of product one has chosen to go further with will help one's decision for the place. Also, is the place accessible? Is it near other competitors? Each of these factors should be taken into consideration when choosing the place.

Then, there is the **Price**. One should not take for granted determining the right price when launching a product. The price will also dictate the strategy. If one chooses to set a high price, then he will probably follow with a high price strategy, also known as price premium strategy. Whereas if one chooses a low price, he will probably have a low price strategy. When determining the price, one should take into account the consumers. Whether they are price sensitive or does price have little impact on their purchasing decision?

Again, these factors are some to be taken into account during the 4P process.

Finally, the last P, **Promotion** will be explained. During this process, one should determine whether he would reach his audience by TV, social media or press, to cite a few examples. This is also based on the vision and promise one has chosen before. If, like Coca-Cola, one has chosen a promise such as "to make people feel better" then he will probably advertise such advertisements. The whole marketing mix process will have a huge impact on the consumer's choice to buy one product and should be done carefully.

1.2.5 Commercial Communications

In this subchapter, commercial communications will be explained in more details. What exactly is commercial communications? It is: sharing different information of one product with consumers. It can be done via different tools. The AMA (American Marketing Association) has created specific divisions of ways of communicating. These divisions are the following: Advertising, Sales promotions, Public Relations, Direct Marketing, On-line communication and Sponsorship.

Firstly, **the Advertising part** can be done through different tools. There are tools called “above the line” (ATL)³³ ones, which are: television, cinema or radio. This technique is often considered as impersonal since it targets a wide segment. The second tool group is the “below the line”³⁴ tool, which is considered more direct and includes: flyers, sales promotions or brochures for instance.

Secondly, talking about **sales promotions** leads to the second division of AMA. Sales promotions are when the company’s employees go meet with consumers in big malls, for example, and present to consumers a new product. This technique makes people feel more concerned and is less impersonal than other techniques such as television spots, for instance. Sales promotions also refer to the discount a consumer enjoys during sales or special occasions.

To continue, the next division is the **Public Relations** division. Public relations permit a company to manage the information that is being delivered to the world. There is usually a public relation manager in one company that deals with the press concerning the information the company wants to share.

In addition, the next division is **Direct Marketing**. Direct Marketing refers to a direct message being sent to a consumer through emails, sms, catalogues or even online adverts. For instance, there are employees who actually track which websites one is going to and, according to this information, it is able to target consumers with a direct message. It could also be, promotional emails sent to consumers that have entered their email after purchasing a product.

Further to this, there is the **On-line communication** division. The On-line communication is done through Facebook, Instagram or even twitter. In each company there, usually, is someone in charge of the online communication: manage the Facebook; create Facebook posts or Instagram posts.

Finally, there is the **Sponsorship** division. A company could sponsor a football event. For instance, the Société Générale (Komerční Banka in Czech Republic) often sponsors Rugby competitions. This permits a company to be seen by a large amount of people and at the same time, it creates a common hobby between a brand and a consumer.

³³ Based on Premysl Prusa’s visiting guest lecturer, November 2015, Prague, Czech Republic.

³⁴ Based on Premysl Prusa’s visiting guest lecturer, November 2015, Prague, Czech Republic.

2. The analysis of the Czech beer market and Pilsner Urquell's position

In this chapter, the Czech beer market and Pilsner Urquell's market position will be analysed by presenting the Czech beer market and analysing the case of Pilsner Urquell.

2.1 Presentation of the Czech beer market

2.1.1 The beer market

To begin with, it is widely known that Czech Republic is famous for its beer. Czech Republic has created ones of the best beers in the World. Beer in the Czech Republic has existed since a few years now. Indeed, the first brewery in Czech Republic was created in 993³⁵ at Břevnov Monastery in Prague. This brewery was later closed and taken over by other breweries such as Svitavy that opened in 1256³⁶, České Budějovice in 1265³⁷ or Plzeň in 1290³⁸. Beer has known several changes since its creation, especially regarding fermentation and types of beers (for instance, fruit beer). Beer became so successful that the number of breweries rose from 135 to 831³⁹ between 1860 and 1870⁴⁰.

Although, the beer market in Czech Republic has known difficulties during the Communist era, many breweries had to close or could not be privately owned. Nevertheless, some say that the Communist era actually had some positive impacts on Czech beer. Since the breweries that managed to function during the

³⁵ FG Forrest, 2. (2016). *A Brief History of Czech Beer*. [online] Prague.eu. Available at: <http://www.prague.eu/en/articles/history-of-czech-beer-10522> [Accessed 9 Apr. 2016].

³⁶ FG Forrest, 2. (2016). *A Brief History of Czech Beer*. [online] Prague.eu. Available at: <http://www.prague.eu/en/articles/history-of-czech-beer-10522> [Accessed 9 Apr. 2016].

³⁷ FG Forrest, 2. (2016). *A Brief History of Czech Beer*. [online] Prague.eu. Available at: <http://www.prague.eu/en/articles/history-of-czech-beer-10522> [Accessed 9 Apr. 2016].

³⁸ FG Forrest, 2. (2016). *A Brief History of Czech Beer*. [online] Prague.eu. Available at: <http://www.prague.eu/en/articles/history-of-czech-beer-10522> [Accessed 9 Apr. 2016].

³⁹ FG Forrest, 2. (2016). *A Brief History of Czech Beer*. [online] Prague.eu. Available at: <http://www.prague.eu/en/articles/history-of-czech-beer-10522> [Accessed 9 Apr. 2016].

⁴⁰ FG Forrest, 2. (2016). *A Brief History of Czech Beer*. [online] Prague.eu. Available at: <http://www.prague.eu/en/articles/history-of-czech-beer-10522> [Accessed 9 Apr. 2016].

Communist era had to work with old techniques, Czech Republic, from all European countries, is the only one that managed to keep its traditional way of making beer. After everything panned out, hundreds of new breweries opened and Czech Republic has been a big influence regarding beer for many other countries such as United States and United Kingdom. The oldest Brewery that was closed, destroyed, opened, finally opened again in 2013⁴¹. Nowadays Czech beer is very famous worldwide. In 2008⁴², Czech beer also became protected by a Geographical indication. According to WTO a geographical indication is: *« a geographical indication (GI) is a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin. »*

Beer in Czech Republic is usually available in stores, restaurants, bars or pubs.

Although, it is very common that each bar has « its beer », meaning it chooses to serve only one brand such as only Kozel or only Pilsner Urquell. Furthermore, some of the small breweries do not distribute their beer everywhere and prefer to distribute it locally.

To continue, Czech Republic is number one regarding beer consumption. According to the image (Annexe 6), Czech Republic's consumption per head in litres was 143 l in 2014, compared to 134 l in 2013⁴³, making Czech Republic the number one consumer of beer. Even after the 2008 global economic crisis, the amount of beer consumed in Czech households grew a lot, accounting for 59% of all the beer consumption in Czech Republic.

According to another picture (see Annexe 7), it is even clearer that Czech Republic is widely perceived as being number one regarding beer consumption. In the top 10 countries regarding beer consumption, there are countries such as Germany, Austria, Poland or Ireland. Though, Czech Republic maintains its number one spot.

Since Czech Republic is the country, which has the highest level of consumption of beer, it can be thought that it generates high revenue for Czech Republic.

⁴¹ FG Forrest, 2. (2016). *A Brief History of Czech Beer*. [online] Prague.eu. Available at: <http://www.prague.eu/en/articles/history-of-czech-beer-10522> [Accessed 9 Apr. 2016].

⁴² Czech.cz. (2016). *Beer Nation – Czech Republic*. [online] Available at: <http://www.czech.cz/en/Podnikani/Firmy-v-CR/Cesko—zeme-piva> [Accessed 9 Apr. 2016].

⁴³ Czech.cz. (2016). *Beer Nation – Czech Republic*. [online] Available at: <http://www.czech.cz/en/Podnikani/Firmy-v-CR/Cesko—zeme-piva> [Accessed 9 Apr. 2016].

According to the next picture (see Annexe 8), « klasické pivo » known as classic beer (dark, light etc.), generated a revenue of 2 683 356 czk for 2014. This is 5% higher than the previous year. Beer is responsible for 1.6% of the Czech GDP, which is an important proportion.

To continue based on my own market study, which I conducted in 2014 with a size of 109 respondents, more than the majority of people in Prague drink beer, whether it is fruit, non-alcoholic or regular beer. According to the market research, 96 people said « yes » when asked if they drank beer and only 13 of them said « no » (see Annexe 9). This supports the idea that beer in Czech Republic is highly present and that the Czech beer market is enormous.

2.1.2 Beer brands in Czech Republic

Czech Republic has a lot of famous beer brands from either big or small breweries. As for the big breweries there are: Pilsner Urquell or even Kozel. For the smaller ones: Bernard or even Svijany. According to another image (see Annexe 10), the largest Czech breweries that usually have many brands are: Plzeňský Prazdroj group with Pilsner Urquell, Gambrinus, Kozel, and Radegast etc. Then, there is Staropramen Brewery with Staropramen, Braník, and Velvet etc. There is also, Heineken Česká Republika group with Starobrno, Krušovice, Zlatopramen, and Březnák etc. Then, Budějovický Budvar with Budweiser, Budvar etc. Finally, the last one, PMS group with Holba, Zubr and Litovel.

In addition to these large breweries, Czech Republic is rich of small breweries that make high quality beers. Some Czechs even prefer smaller breweries. In the 70 medium-sized and small breweries there is: Bernard Family Brewery, Svijany Brewery, Platan Brewery, Nachod Brewery, Černá Hora Brewery and many more. Now, in order to assess each of these breweries' position, the different market shares will be analysed. As mentioned previously, Plzeňský Prazdroj is number

one in Czech Republic; its total volume sales share in 2014 was 44%⁴⁴. Followed by far by Staropramen with a total volume sales share of 17%⁴⁵.

Then, comes Heineken with a 12%⁴⁶ share and Budějovický Budvar with a 4%⁴⁷ share. According to other sources, these market shares can differ but not from much. Based on another source of information, Plzeňský Prazdroj is still the leader on the Czech beer market with a share of 43%⁴⁸. Then comes Staropramen with 16,8%⁴⁹, Heineken with 16,8%⁵⁰ and Budějovický Budvar with 4,5%⁵¹. There are other many famous brands but so-called « medium-small breweries ». Their beer is usually distributed locally, from the exception of Bernard, which is distributed elsewhere rather than only locally. To mention a few smaller breweries, there is: Pivovar Svijany, Žatecký Pivovar, Pivovar Broumov, Měštánský Pivovar, Pivovar Černá Hora, Pivovar and restaurant U Fleků, Rodinný Pivovar v Chodově Plane, Pivovar Janáček or even Pivovar Náchod. These breweries are all part of an association of medium-small breweries called « Český svaz malých nezávislých pivovarů ».

To continue, to be able to assess more the position of different brands, the different prices will be analysed. Firstly, depending on the size, whether it is in bottle or can, depending on whether it is dark beer or light beer, the price will be different so it will be difficult to truly compare these brands according to their prices, but having an idea of what each of these brands cost is needed to position them. If not précised, all of the prices concern beer bottles of 0,5l. These prices have been taken from the supermarket TESCO's online shop.

⁴⁴ Euromonitor.com. (2016). *Beer in the Czech Republic*. [online] Available at: <http://www.euromonitor.com/beer-in-the-czech-republic/report> [Accessed 9 Apr. 2016].

⁴⁵ Euromonitor.com. (2016). *Beer in the Czech Republic*. [online] Available at: <http://www.euromonitor.com/beer-in-the-czech-republic/report> [Accessed 9 Apr. 2016].

⁴⁶ Euromonitor.com. (2016). *Beer in the Czech Republic*. [online] Available at: <http://www.euromonitor.com/beer-in-the-czech-republic/report> [Accessed 9 Apr. 2016].

⁴⁷ Euromonitor.com. (2016). *Beer in the Czech Republic*. [online] Available at: <http://www.euromonitor.com/beer-in-the-czech-republic/report> [Accessed 9 Apr. 2016].

⁴⁸ Conbiz.eu. (2016). *The czech beer market - Conbiz - Business Consulting Services in Israel & Czech Republic*. [online] Available at: <http://www.conbiz.eu/information/articles/the-czech-beer-market> [Accessed 9 Apr. 2016].

⁴⁹ Conbiz.eu. (2016). *The czech beer market - Conbiz - Business Consulting Services in Israel & Czech Republic*. [online] Available at: <http://www.conbiz.eu/information/articles/the-czech-beer-market> [Accessed 9 Apr. 2016].

⁵⁰ Conbiz.eu. (2016). *The czech beer market - Conbiz - Business Consulting Services in Israel & Czech Republic*. [online] Available at: <http://www.conbiz.eu/information/articles/the-czech-beer-market> [Accessed 9 Apr. 2016].

⁵¹ Conbiz.eu. (2016). *The czech beer market - Conbiz - Business Consulting Services in Israel & Czech Republic*. [online] Available at: <http://www.conbiz.eu/information/articles/the-czech-beer-market> [Accessed 9 Apr. 2016].

Picture 11: Table Different beer brands' prices: 0,5l Bootle beer

Staropram en pale	Krušovice pale draft	Velokopop- ovický Kozel pale tap	Březňák pale lager	Braník light draft	Bernard pale draft	Gambrin us light daft	Radegast light draft
8,90 czk	8,90 czk	8,90 czk	9,90 czk	9,90 czk	12,50 czk	12,90 czk	12,90 czk

Source: Nakup.itesco.cz. (2016). *Beer - Groceries - Tesco*. [online] Available at: <http://nakup.itesco.cz/en-GB/Product/BrowseProducts?taxonomyId=Cat00000500> [Accessed 9 Apr. 2016].

Holba Šerák light beer	Budweiser Budvar, classic pale	Zlatopramen	Heineken lager	Starobrno lager	Pilsner Urquell lager	Stella Artois pale lager
12,90 czk	12,90 czk	13,90 czk	14,90 czk	15,90 czk	23,90 czk	23,90 czk

Source: Nakup.itesco.cz. (2016). *Beer - Groceries - Tesco*. [online] Available at: <http://nakup.itesco.cz/en-GB/Product/BrowseProducts?taxonomyId=Cat00000500> [Accessed 9 Apr. 2016].

On the Czech Market Pilsner Urquell and Stella Artois would generally be the more expensive ones. Although, of all the Czech beers from Czech Republic, Pilsner Urquell is the most expensive, which has lead to the hypothesis of this thesis. Usually, less-known brands are cheaper than well-known ones. Nevertheless, beer in the Czech Republic is usually cheaper than water mainly in restaurants and bars. While you pay 30 czk for a beer in a bar, a water costs approximately 40 czk.

2.1.3 Czech beer consumer's behaviour

In this subchapter, the Czech beer consumers' behaviour will be dealt with. One will discover why do people drink beer, where or why.

To begin with, the information in this subchapter has been found with a market research. A study has been conducted in Prague, Czech Republic. There were 109 respondents for most of the questions. The respondents were mainly Czechs living in Czech Republic or abroad. There were also foreigners, mainly Frenchs that are living in Czech Republic, had lived or had visited Prague several times. These respondents were mainly found online, on a VŠE's Facebook group or even French Facebook group. Furthermore, the survey has also been conducted face to face at VŠE. The survey has been performed from January 2016 to April 2016 in Prague, Czech Republic.

In addition, how does a typical respondent of this survey look like? A typical beer consumer respondent of this survey is between 18 and 25 years old, out of 109 respondents, 65 were between this age-range (see Annexe 11). The typical respondent has a monthly household income of more than 45 000 czk, 42 out of 109 respondents affirmed they have a monthly household income of more than 45 000 czk (see Annexe 12). Furthermore, the household size is usually 4; out of 109 respondents 33 people said their household included 4 people (see Annexe 13).

Additionally, it has been previously mentioned that 96 people out of 109 respondents claimed to be beer drinkers. Now, how often or why do people drink beer? And what kind? Based on a market research with a size of 109 respondents, it has been managed to truly define the behaviour of Czech beer consumers.

The different above questions were asked in order to show how the Czech beer market looks like. Firstly, consumers have been asked which beer brands they mostly drink. This has been asked as to be able to describe the Czech beer market. Later, it has been asked which beers brands do people know in order to evaluate consumer's knowledge of the Czech beer market. Whether consumers know the market shows the importance this market actually holds in Czech Republic. This question also has been asked in order to assess the awareness of each brand. To continue, consumers were asked which beer brands were their favourite and why.

This has been asked in order to discover which beer brand holds position number one and why. In this survey, the number one beer was Pilsner Urquell and it is people's favourite because of the taste. This shows Pilsner Urquell's position and the fact that its high quality product strategy works.

First of all, people in Czech Republic, whether they are foreigners or not, drink mostly every sorts of beer, with a small preference for Lager (see Annexe 14). Although there has been a growing trend for new kinds of beers for instance fruit beer, classic beers remain what people drink the most. Regarding fruit beer, it concerns mainly women. Based on a market study conducted by Nielsen, 48,4%⁵² of fruit beer consumption concerns women. Furthermore, people in Czech Republic know almost all beers (see Annexe 15) that could be found on the Czech market, at least the most famous ones. Although this has been found out through aided-awareness (people had to choose from a list of brands), it surely does represent which beer brands people do know but not in a spontaneous way. Pilsner Urquell holds position number one as people's favourite beer (see Annexe 16), it has been chosen the most out of every other brand.

People consider different brands their favourite because they like the taste consider it a tradition to drink it in Czech Republic and because they are used to drinking this brand since a few years (see Annexe 17). The fact that people in Czech Republic drink beer because they are used to shows that, in Czech Republic people are not much open to change and this could be a problem for other beer brands or foreign brands that are trying to position themselves on the market.

The main reason why people drink beer (see Annexe 18) is because they consider it a tasty drink, this reason was chosen 77 times in this survey. Then, comes the reason that it is a social habit, chosen 41 times. After this, the third main reason is because it is in their culture, chosen 40 times. Mainly, people drink beer to bond with others, because they like the taste and some of them even affirmed it is in their culture. Out of all the people that affirmed it is in their culture, most of them were Czechs, only two of them were foreigners (one of them was living in

⁵² lidí, O. (2016). *Ochucené pivo je nápojem žen a mladých lidí*. [online] Nielsen.com. Available at: <http://www.nielsen.com/cz/cs/insights/reports/2013/ochucene-pivo-je-napojem-zen-a-mladych-lidi.html> [Accessed 10 Apr. 2016].

Prague). Consequently, it is interesting to note that beer truly spread to foreigners. Even one of them who affirmed to be drinking beer because it is in its culture lives in France but has been living in Prague before. This means that beer is definitely a part of the Czech culture and beer has managed to keep an important place in people's culture.

To continue, it will be analysed again based on the market research conducted, how many beers per week do people drink (see Annexe 19). People mostly drink beer a few times per month; very rarely do they drink beer every day. 28 out of 96 said they drink beer a few times per months. Only three said they drink beer every day. We can conclude that beer is not something people would drink every day but from time to time to enjoy a drink with friends. Although, it has to be noted that in a survey people could not always be truly sincere.

Now, it will be interesting to segment the respondents according to where they come from, live and their household monthly income. Out of the three people that affirmed they drink beer every day, two had a monthly household income of more than 45 000 czk. Czech beer is not the most expensive product but it is still some expense and only those who can afford a specific way of living, drink beer every day. Although, out of the people saying they drink more than one beer per day, only one has a monthly household income of 45 000 czk. It is important to recall that beer is not expensive and it is more about the way of living than the price of the product. Usually, people with a monthly household income of more than 45 000 czk drink beer a few times per month, more precisely ten of them, six of them 3 or 4 times per week, nine of them 1 or 2 times per week and four of them 5 or 6 per week. Therefore, it can be noticed that there is not a strong correlation between one's income and one's consumption of beer, possibly because of the low price. Furthermore, it will also be interesting to compute the respondents according to where they live. For those who live outside of Czech Republic, seven of them drink beer 3 or 4 times per week, which starts to become consistent. Out of these seven people, four of them are from Czech Republic, which explains why beer is that present in their daily lives. What could be a surprise is that, out of these seven people, one is Czech but from the region Moravia known for its good wine.

Now, that one knows how often people do drink beer, where do people drink beer will be discussed. Respondents affirmed they drink beer everywhere, at some pub,

some restaurant, and some bar or at home (see Annexe 20). Out of the 101 people who answered this question, 48 said they drink beer everywhere. From the people who answered « always at some pub », most of them were either from Czech Republic or lived in Czech Republic. Drinking beer at some pub is really a Czech way of living.

Furthermore, who do people drink beer with will be seen. Most of the respondents answered that they mostly drink beer with their friends, 70 out of 111 respondents (see Annexe 21). At first, beer in Czech Republic could be thought of as a family tradition, although this survey shows that of the people who assumed to be drinking beer only with family (see Annexe 21), only three of them were Czechs. Quite surprisingly the rest were foreigners either living abroad or living in Czech Republic, all of them ranging from 18 to more than 60 years old, with a little domination for the 45-60 years old group. Probably, beer is more a family tradition for older generations than for young people between 18 and 35 years old. This leads to the following question: is beer really not a family tradition for people? Based on the market research conducted, the answer would have to be a yes. Out of 109 people 73 (see Annexe 22) said they did not consider beer a family tradition, which supports the previous findings. Although, it has been mentioned previously that beer was considered a family tradition mostly by older generations, according to this question if the respondents are segmented into groups depending on their age range, it can be seen that some younger generations also consider beer a family tradition. More precisely, 25 people ranging from 18 to 35 years old considered beer a family tradition. For some people, beer is still correlated to family.

To continue, if beer is not considered a family tradition for most people, what is their actual opinion regarding beer? (See Annexe 23) When respondents were asked what was their opinion regarding beer, 70 of them answered « it is a tasty drink », then 55 of them viewed beer as « from Czech Republic » and 44 of them regarded beer as « a cheap drink ». To put it all together, people mainly see beer as a drink from Czech Republic, cheap and tasty. Other answers were: « it's a men's drink », « it's expensive », « it doesn't have a lot of alcohol » and « it's from Germany ». Out of all the people who answered « it's from Czech Republic » 43 of them were Czechs whereas 8 of them were foreigners. This

shows that Czechs view beer as part of their culture, country and they are proud of it (see Annexe 23).

2.2 The case of Pilsner Urquell

In this chapter, Pilsner Urquell will be analysed in depth, for instance, Pilsner Urquell's market position, Pilsner Urquell's communication or even Pilsner Urquell's image.

2.2.1 Pilsner Urquell's history

To begin with, Pilsner beer first started to exist on October the 5th 1842 when Josef Groll brewed the first Pilsner beer, a lager. Originally from the city of Plzeň, the Pilsner beer first came to Prague in 1843 to the “U Pinkasů” pub, making it the most famous pub where several influential people came. Later on, the beer became more popular, in Czech Republic and abroad, that in 1859 the brewery called the Burgher's brewery registers its first “Pilsner Bier” brand. Finally, in 1898 the trademark Plzeňský Prazdroj, Pilsner Urquell is created. After this, the group continued to expand, creating its first brewery for Kozel (also part of the group) or exporting for the very first time in America. Later, many other important events occurred.

Plzeňský Prazdroj is part of the group SAB Miller, a worldwide brewing company, and has four breweries in Czech Republic: Plzeňský Prazdroj and Gambrinus in Plzeň, Radegast in Nošovice and Velké popovice in central Bohemia. The beer brands Plzeňský Prazdroj has are the following: Pilsner Urquell, Gambrinus, Velkopopovický Kozel, Radegast, Birell, Master, Fenix, Frisco, Kingswood Cider, Primus and Klasik. Plzeňský Prazdroj affirms that: “it has always been a producer of traditional Czech beer, made of three basic ingredients- hops, malt and water”⁵³.

⁵³ Simopt, s. (2016). *About beer - Beer :: Plzensky Prazdroj, a. s.*. [online] Prazdroj.cz. Available at: <https://www.prazdroj.cz/en/beer/for-beer-drinkers/about-beer> [Accessed 18 Apr. 2016].

2.2.2 Pilsner Urquell's position in the Czech Republic

Plzeňský Prazdroj, as mentioned previously, is part of the SABMiller company, which had a profit before tax of 2,8 billions dollars in 2014⁵⁴. It has been seen in the previous subchapters that Plzeňský Prazdroj was the leader on the Czech beer market (see picture 10). Plzeňský Prazdroj has the biggest market share on the Czech market, as mentioned before its total volume sales share in 2014 was 44%⁵⁵. Its global sales were about 9,7 million hectolitres 2012. Plzeňský Prazdroj's profit before tax (year 2010-2012) was 8,088⁵⁶ billion Czech crowns and its revenues (2010-2012) from the company's main activities were 27,096⁵⁷ billion Czech crowns. All of this together makes Plzeňský Prazdroj the leader on the Czech beer market. It is important to mention that Plzeňský Prazdroj has many brands and that the market share accounts for all of these brands altogether. To have an idea of Pilsner Urquell's market share, it has been found that Pilsner Urquell had a market share of 28,6%⁵⁸ in 2002.

Furthermore, it has already been mentioned that Pilsner Urquell is the most favourite beer on the Czech market. Although, it is also the most expensive Czech beer. As it has been seen previously, the price for a Pilsner Urquell bottle beer of 0,5l is 23,90 czk at the supermarket TESCO's online shop, making it the most expensive Czech beer. It has to be stressed that other beers are more expensive than Pilsner Urquell but are not Czech.

⁵⁴ White, A. (2014). *Are the Australians drinking less beer?*. [online] Telegraph.co.uk. Available at: <http://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/11227803/Are-the-Australians-drinking-less-beer.html> [Accessed 10 Apr. 2016].

⁵⁵ Euromonitor.com. (2016). *Beer in the Czech Republic*. [online] Available at: <http://www.euromonitor.com/beer-in-the-czech-republic/report> [Accessed 9 Apr. 2016].

⁵⁶ Simopt, s. (2016). *Media :: Plzensky Prazdroj, a. s.*. [online] Prazdroj.cz. Available at: <https://www.prazdroj.cz/en/media> [Accessed 12 Apr. 2016].

⁵⁷ Simopt, s. (2016). *Media :: Plzensky Prazdroj, a. s.*. [online] Prazdroj.cz. Available at: <https://www.prazdroj.cz/en/media> [Accessed 12 Apr. 2016].

⁵⁸ Europeanbeerguide.net. (2016). *Breweries of the Czech Republic: beer styles and their history*. [online] Available at: <http://www.europeanbeerguide.net/czecintr.htm#stats> [Accessed 23 Apr. 2016].

In addition, Pilsner Urquell is drunk by a huge amount of people. Based on a market study conducted in 2014, out of 108 respondents 84 affirmed that they drink Pilsner Urquell (see Annexe 24).

2.2.3 Target segment of Pilsner

In this subchapter, it will be analysed which segment does Pilsner Urquell target.

First of all, it has been previously mentioned that Pilsner Urquell has a price premium. It is excessively high compared to its competitors such as Kozel or Heineken. With this said, it can be concluded that Pilsner Urquell's target segment is middle or high income consumers since people with less income will more likely buy cheaper beer.

Furthermore, given the fact that Pilsner Urquell puts the accent on its different taste compared to competitors, it targets people who like a specific beer taste of high quality. In addition, as the brand also emphasizes on its origin and traditional way of making beer, it can be said that it also targets traditional conservative people. This means, people who do not like change and for whom traditions are important.

To continue, it can be observed that people usually drink Pilsner Urquell in bars or restaurants, for instance. Consequently, Pilsner Urquell targets young people who like to enjoy a nice evening or afternoon out. For instance, a lot of Pilsner Urquell's communication is done through YouTube. YouTube is mostly used and known by young consumers. Although, it cannot be generalized that only young people drink Pilsner Urquell. As it has been seen in the survey, drinking beer is a national activity in Czech Republic and thus it concerns everyone. Thus, Pilsner Urquell also targets other generations.

This leads to the next subchapter, the differences of Pilsner Urquell against its competitors.

2.2.4 Positioning of Pilsner Urquell: its differences against its competitors

To begin with Plzeňský Prazdroj puts the focus on the quality of the Pilsner Urquell beer. It uses traditional recipes and the newest technologies. Its aim is to create a high quality beer and to maintain it. In addition, compared to other Czech brands, Pilsner Urquell has a high price (price premium). Therefore, it could be assumed that Pilsner Urquell conducts a price premium strategy to differentiate itself from its competitors. It puts the price higher in exchange of a high quality. Pilsner Urquell has a special bitter taste different from its competitors, which makes the brand very popular among people. In the same price level, Stella Artois could be described as a direct competitor of Pilsner Urquell. While Pilsner Urquell uses a traditional recipe, Stella Artois although very proud of its Belgian roots, does not state that it uses a traditional Belgian beer recipe. Furthermore, Stella Artois is very present on social media and communicates heavily with consumers. On their website, different messages from consumers can be found. It can be seen that Stella Artois puts less emphasis on their Belgian tradition as for advertisements, for instance.

As mentioned several times, not only is Pilsner Urquell the favourite beer brand but it is also the brand with the highest spontaneous brand awareness. During the market study, when people were asked to write down the beer brands they knew (without any list), Pilsner Urquell is the one that came out the most, almost every person was able to cite Pilsner Urquell. Then, the other brands mentioned a lot were Staropramen, Kozel, Gambrinus, Heineken or even Budweiser. Other small brands were cited such as: Ferdinand, Merlin, Argus or Corona. Thus, even though people had a wide knowledge of beer brands (small and big), Pilsner Urquell still managed to rank first concerning spontaneous brand awareness. Consequently, it can be said that Pilsner Urquell has an important place on the Czech beer market, if not the leading place.

2.2.5 Marketing MIX

In this subchapter, the knowledge acquired during the first chapter will be used. The marketing MIX in the case of Pilsner Urquell will be analysed. To recall, marketing mix is the 4Ps: Product, Price, Place and Promotion. Throughout this subchapter, Pilsner Urquell will briefly be compared to two direct competitors: Staropramen & Heineken.

To start off, the **product** is Pilsner Urquell. A product with a high quality produced with the latest technologies based on a traditional recipe from the 19th century. The product is green presented with Pilsner Urquell's logo and can be found in bottles, cans or packs of, for instance, 6 beers. It can be found in different sizes such as 0,5l, 330ml or even 5l. Heineken the beer, one of Pilsner Urquell's direct competitors, can also be found in bottles, cans or packs. It is also green but with a red star. Heineken is produced with raw materials. Another competitor, Staropramen, can also be found in cans, bottles or cans. Ironically, it is also green but with an S representing the brand's logo.

The **price** is high, the group Plzeňský Prazdroj has decided to conduct a price premium strategy. At the supermarket Tesco in Prague, the price of a 0,5l Pilsner Urquell is 23,90 czk. Although at pubs, the price for the same beer is 40 czk⁵⁹. Compared to competitors, Pilsner Urquell's price is higher. A Heineken lager beer of 0,4l costs 14,90 czk⁶⁰ and a Staropramen lager beer of 0,5l costs 11,90 czk⁶¹.

To continue, the next P is **place**. Pilsner Urquell can be found everywhere: in supermarkets such as Tesco or Billa, in bars or nightclubs, in restaurant and other places. Although, in Czech Republic, as mentioned previously, each restaurant usually serves only one beer brand.

⁵⁹ Hospodalucerna.cz. (2016). *NÁPOJOVÝ LÍSTEK | Hospoda Lucerna*. [online] Available at: <http://www.hospodalucerna.cz/napojovy-listek/> [Accessed 10 Apr. 2016].

⁶⁰ Nakup.itesco.cz. (2016). *Beer - Groceries - Tesco*. [online] Available at: <http://nakup.itesco.cz/en-GB/Product/BrowseProducts?taxonomyId=Cat00000500&Brand=4294966208> [Accessed 17 Apr. 2016].

⁶¹ Nakup.itesco.cz. (2016). *Beer - Groceries - Tesco*. [online] Available at: <http://nakup.itesco.cz/en-GB/Product/BrowseProducts?taxonomyId=Cat00000500&Brand=4294966807> [Accessed 17 Apr. 2016].

Often, restaurants that serve Pilsner Urquell are somehow specialized in Pilsner Urquell. From the place of production, Pilsner Urquell is transported in trucks.

The group has specific technical and hygienic standards. It stores the Pilsner Urquell beer in leak-proof polypropylene bags in beer tanks. It stores the beer at a seven degrees' temperature. Its direct competitors, Heineken and Staropramen can also be found everywhere: bars or restaurants. Although, Staropramen does have specificity, it has a brewery in Prague 5 where every types of Staropramen can be found and bought. Further to this, Staropramen also has its own well-known restaurant « Potrefena Husa ».

Last but not least, the 4th P, which is **promotion**. Pilsner Urquell uses different ways to promote its product and this will be dealt with in more details in the next chapter: Commercial communications of Pilsner. To compare Pilsner Urquell and its competitors concerning commercial communications, it can be said that one tool Pilsner Urquell uses to communicate is brewery tours. This can also be found in Heineken's commercial communication. Staropramen also has its own virtual tour. In addition, these three brands are all present on TV with TV spots.

To see how people, perceive Pilsner Urquell regarding different points of the marketing mix will help us assess, later in the chapter, if the communication of Pilsner Urquell is in line with its strategy. For this purpose, the results of the survey performed will be used. First of all, concerning the first P, product. People when asked to describe the taste, a majority said it represented a 2 on a scale from -3 to 3 (see Annexe 25). In general, people described the taste as something good, if not very good. This is encouraging since Pilsner Urquell puts a strong emphasis on the quality of its product.

Furthermore, when people were asked during the market study why they drink Pilsner Urquell, the majority of them, 70 respondents, said it is because of the taste (see Annexe 26). This reflects Pilsner Urquell's strategy and the fact that its product does have differences, as wished, against its competitors.

To continue, still concerning the product (first P), people also liked the packaging for a majority of them (see Annexe 27). The score of 2 gained the more votes. Neither if not any, assessed a score less than 0.

Still regarding the product, when asked to assess the label (see Annexe 28), people were very positive. The score 3 gained the more votes and only one person gave a score under 0.

Now concerning another P, the price. When people were asked to assess the price (price/quality), most people voted for a 2 (see Annexe 29). A lot more people assessed a negative score; this means that people do not think that the quality justifies a premium price.

2.2.6 Commercial communication of Pilsner Urquell

In this subchapter, Pilsner Urquell's commercial communication will be talked about.

First of all, based on a market study conducted in 2014, it will be discovered whether people actually know some of Pilsner Urquell's ways of communicating, advertisements in this case. It can be seen that out of 109 respondents, 58 know one of Pilsner Urquell's advertisement (see Annexe 30), which is not that many people and could reflect a lack of Pilsner Urquell's communication.

To continue, still based on the market study conducted, it can be seen that Pilsner Urquell communicates using different tools. According to the divisions mentioned in the theoretical commercial communication part, it will be explained which tools does Pilsner Urquell use.

First of all, concerning advertising, Pilsner Urquell has done several TV spots. For instance, Pilsner Urquell has done a spot⁶² staging different people celebrating Christmas a few years ago.

To continue, concerning Public Relations, as mentioned before, there usually is someone in charge of communicating with the press. In Czech Republic, it is Vladimir Jurina⁶³.

⁶² YouTube. (2016). *Reklama Pilsner Urquell - Vánoce 2013*. [online] Available at: <https://www.youtube.com/watch?v=7MayZgfjbiM> [Accessed 17 Apr. 2016].

⁶³ Amic.cz. (2016). *Pilsner Urquell | AMI Communications Public Relations*. [online] Available at: <http://www.amic.cz/tiskove-stredisko/pilsner-urquell/fotoarchiv/> [Accessed 17 Apr. 2016].

As for the next division Sales promotion, Pilsner Urquell does conduct sales promotions. For instance, Tesco's online supermarket has sales regarding a pack of 6 Pilsner Urquell. It can be bought at 124,90 czk instead of 149,90 czk⁶⁴.

Further to this, Pilsner Urquell also communicates via direct marketing. It has what is called a « newsletter » where people can sign up⁶⁵ and receive news of Pilsner Urquell through emails or even mobile phone.

In addition to all of these ways of communication, Pilsner Urquell also performs on-line marketing. It has a Facebook page and it usually uses it to communicate news or post pictures. Additionally, many of Pilsner Urquell's TV spots are present on YouTube. An example of an advertisement on the Czech market is one that could be found on YouTube⁶⁶ and stages Smetana, a famous Czech musician, who tries to create his final masterpiece.

Last but not least, Pilsner Urquell also uses sponsorship as a mean of communication. For instance, in 2008, it sponsored the Czech Olympic team⁶⁷. Also, Pilsner Urquell communicates using restaurants. Since every restaurant usually advertises which beer they have, whenever Pilsner Urquell is present, it creates some advertisement for the brand.

Another interesting way that Pilsner Urquell communicates is that Pilsner Urquell opens its brewery in Czech Republic for visitors and provides them with guided-tours⁶⁸.

In addition, to evaluate Pilsner Urquell's communication, during the market study, people were asked whether they felt positive emotions while drinking Pilsner Urquell. Out of 109 people, 60 respondents (see Annexe 31) answered they did. Therefore, it can be concluded that Pilsner Urquell has managed to share some emotions with consumers, creating a relationship with them, an important point

⁶⁴ Nakup.itesco.cz. (2016). *Beer - Groceries - Tesco*. [online] Available at: <http://nakup.itesco.cz/en-GB/Product/BrowseProducts?taxonomyId=Cat00000500&Brand=4294966821> [Accessed 17 Apr. 2016].

⁶⁵ Pilsner Urquell. (2011). *Age Gate*. [online] Available at: <http://pilsnerurquell.com/uk/newsletter> [Accessed 17 Apr. 2016].

⁶⁶ YouTube. (2016). *Pilsner Urquell advertisement*. [online] Available at: <https://www.youtube.com/watch?v=m1BcFgJiGV8> [Accessed 10 Apr. 2016].

⁶⁷ E15.cz. (2008). *Pilsner Urquell – Hrdý sponzor olympijského týmu*. [online] Available at: <http://strategie.e15.cz/prilohy/marketing-magazin/pilsner-urquell-hrdy-sponzor-olympijskeho-tymu-468926> [Accessed 17 Apr. 2016].

⁶⁸ Prazdrojvisit.cz. (2016). *Pilsner Urquell Brewery Tour / Prazdroj Visit*. [online] Available at: <http://www.prazdrojvisit.cz/en/tours/pilsner-urquell-brewery-tour/> [Accessed 10 Apr. 2016].

for a long-lasting famous brand. Although, there is place for improvements since only 60 answered that they do feel positive emotions.

All of these ways of communication are present in order to improve Pilsner Urquell's image. Mentioning Pilsner Urquell's image leads to the next subchapter.

2.2.7 Pilsner Urquell's image in Czech Republic

Pilsner Urquell's image has already been dealt in parts in previous subchapters, thus, in this subchapter, the discussion on Pilsner Urquell's image will continue in more details.

First of all, a majority of people, if not almost all, viewed Pilsner Urquell as something Czech and considered the Czech origin as something very important (see Annexe 32).

This is probably an important explanation of the success of Pilsner Urquell on the Czech market. If one is to look carefully around, people mainly hold Škoda cars in Czech Republic, which also has a Czech origin.

In Czech Republic, Pilsner Urquell is mainly drunk at some bar, out of 96 people, 50 affirmed they usually drink Pilsner Urquell at some pub (see Annexe 33). People mainly know Pilsner Urquell because they have it in their country, here for most of the respondents, Czech Republic. This can be interpreted as: people know Pilsner Urquell because it is highly present on the Czech market and because it has widely spread on the market. For the foreigners of the survey, an important proportion of them discovered Pilsner Urquell in Czech Republic. 51 out of 107 respondents affirmed « I have it in my country » and 43 out of 107 « I discovered it in Czech Republic ». It can be seen that people definitely perceive Pilsner Urquell as Czech (see Annexe 34).

Furthermore, when asked whether Pilsner Urquell can express one's social status, the majority answered « certainly not » or « rather not » (see Annexe 35). By this result it can be understood that people do not see Pilsner Urquell as something you drink when you have money, thus, expressing one's social status.

To continue, when people were asked to write down which words came to their minds when they think of Pilsner Urquell, several words came up such as: *Taste*,

style, quality, light, Czech, party, lager, well-served, pub, history, refreshing, friends, national heritage, Plzeň, relaxing, expensive, Czech Mass-market upscale, local taste, good looking, smell, colour, love, best commercial beer, premium, posh, popular, luxury, hockey, pride, tradition, paradise, home or even tank. All of these words show Pilsner Urquell's image in Czech Republic, how people perceive it. Mainly as something tasty, nice and more important, Czech. There were some negative associations (these negative associations accounted for around 4% of the total answers) such as: *Not Czech anymore, traitors, overrated, snobbish, average, standard, Czech mass-market upscale.* This shows that Pilsner Urquell is perceived as something negative for some consumers and that the communication was not done that well at some point.

3. Answer to the research question, recommendations

To begin with, the research question of this Thesis is: Is the current image in line with the current communication of the brand?

First of all, the required image of Pilsner Urquell, as seen previously, is:

- Traditional
- A special Czech heritage
- A premium brand
- A brand of quality

Based on the study conducted, it has been possible to discover that consumers on the Czech market seen Pilsner Urquell as:

- A traditional brand, a Czech heritage: Most of the respondents answered that the Czech origin of Pilsner Urquell was important (see Annexe 32).
- An expensive brand (Premium brand): consumers see this point in a negative or positive way. Nevertheless, most of the respondents assessed a 2 (on a scale from -3 to 3) for Pilsner Urquell's price/quality (see Annexe 29). Thus, the majority still sees Pilsner Urquell as a premium brand of quality beer.

- A beer of quality: When consumers were asked what is the main reason they drink Pilsner Urquell, most of them answered that it is because of the taste. This shows that Pilsner Urquell is seen as the brand's managers wanted to.

Thus, it is safe to say that, indeed, the current image of Pilsner Urquell is in line with the current communication of the brand. Therefore, the hypothesis is confirmed.

Furthermore, the communication of the brand, as mentioned previously, has been done using different tools. A way of communicating that would be analysed is the „Smetana“ TV spots. It stages a Czech famous musician that needs inspiration and Pilsner Urquell helps him get that missing inspiration. This proves that Pilsner Urquell's way of communicating is in line with the Czech, traditional image consumers have of Pilsner Urquell.

Another example is also a TV spot staging people celebrating Christmas a few years ago. This reflects the traditional view of Pilsner Urquell. In addition, the fact that the brewery is open to public for some tours also reflects the traditional image Pilsner Urquell has or the relationship between Pilsner Urquell and consumers that these consumers actually see.

To continue, the majority of people drink Pilsner Urquell and it had the highest spontaneous awareness in comparison to other famous brands in Czech Republic. Furthermore, Pilsner Urquell had the chance to inherit from the Czech Republic's long know-how regarding beer. This heritage, actually, helps Pilsner Urquell to maintain its position in the Czech Republic in a way because Czechs feel close to it and think of it mainly as a Czech heritage they are proud of.

Pilsner Urquell has managed to share its vision and be seen as a real person. During the market study when people were asked whether they felt any positive emotions out of 109, 60 affirmed they did. They described these feelings as: *happy, refreshment, loyalty, taste, fun, joy, good mood, and tradition, proud that it is Czech, family or even friendship*. Pilsner Urquell has achieved to share positive feelings with the Czech consumers. Furthermore, people were able to describe Pilsner Urquell as a real person (product as a person), to cite a few examples: *cool, a bear, a modern Czech: Bitter and expensive, traditional, upper middle class individual, person with many faces, loyal person, fun young person,*

a beautiful girl, a good buddy, someone always there to make you happy, person with values, kind handsome popular smiling person who would joke and be popular, the best person, conservative and famous or a handsome gentleman named Jara Cirmrman. It can be seen that Pilsner Urquell was able to build a trustworthy relationship. Some respondents described Pilsner Urquell as: *you always known what to expect, an old person I can trust or even someone who respects and follows traditions and wants the best, always.* This really shows the unique relationship Pilsner has been able to create, as mentioned in the previous chapter it is something important for a good brand to be successful.

It has also been evaluated that people who do not drink Pilsner Urquell mainly are high-income people who would rather drink other drinks such as Champagne or high quality wine. So rarely is the taste the reason why people do not drink Pilsner Urquell.

As a negative point, while conducting the market study it has been seen that people are not so aware of advertisements Pilsner Urquell has made and people mostly have no opinions regarding these advertisements. This information is based on the results from the market research conducted. To improve even more Pilsner Urquell's actual position, it would be nice to focus on communicating more with consumers, which will probably be well received. For instance, Pilsner Urquell could try to be more present on social media and launch new advertisement staging for example Pilsner Urquell's tradition heritage and focusing on the Czech part of the brand, which is very important for people on the Czech market.

In addition, it has already been mentioned in a previous subchapter that people have not assessed the price/quality relation that well. This means that people do not think the quality and the special taste of the beer justifies a premium price. Perhaps, Pilsner Urquell could provide some kind of sales promotions, for Christmas for instance or such special events. Certainly, having some kind of sales promotions would encourage more people to buy Pilsner Urquell. In the same way, it could maybe enhance even more the already high quality of the product. Without changing the traditional way of making beer, it could make it with new technologies or with high quality ingredients, with something not already used. Although, it is not a good idea to decrease the price since Pilsner Urquell has the leader position on the market share and, having this Czech

heritage that make people so proud, actually, permits Pilsner Urquell to have a premium price.

Furthermore, apart from the different taste and quality Pilsner Urquell offers, it should try to differentiate even more from its competitors. For instance, create the beer with high technologies that competitors do not have. It could also, engage in social activities and meet consumers. It could create some beer tasting, to really show the different taste Pilsner Urquell has compared to competitors. It should deepen the consumer-brand relationship even more. This will make a prime premium indisputable.

All together, Pilsner Urquell is, indeed, in line with its communication strategy helped by its Czech origin permitting them to maintain the number one position on the Czech market.

Conclusion

To conclude, throughout this thesis, the different terms defined in the first part enabled the readers to understand different concepts. In the second part, the case of Pilsner Urquell has been analysed. After analysing different aspects of Pilsner Urquell; its position on the Czech market, its image or even its position in people's head, it has been possible to confirm the following research question: *Is the current image in line with the current communication of the brand?*

It has been seen in the previous chapter that the required image and the perceived image are very similar. This has been possible to achieve through consistent communication, as mentioned in the third chapter. Therefore, it can be said with confidence that the hypothesis, which was that the current image is in line with the current communication of the brand, is confirmed.

Regarding the first part of this thesis, the different important terms indispensable for understanding the practical part have been described. This has permitted the readers to be more familiar with different marketing or brand related terms.

In the second part, it has been seen that the Czech beer market is vital to the Czech Republic. It is a huge source of revenue and drinking beer is for Czechs a national activity, thus, it is the country that consumes the most beer. People drink beer mostly everywhere with friends, family and colleagues.

In addition, Pilsner Urquell's position on the Czech market has been analysed. It holds the leading position on the Czech market. The brand Pilsner Urquell is well known and has the highest spontaneous awareness. It conducts a price premium strategy, which was well received by people. People are proud of this Czech brand and think of it as a reliable brand. According to the first chapter, building a strong trustworthy relationship is vital for the success of a brand.

It is now safe to say that Pilsner Urquell has been able to develop a strong position in people's mind and a positive image on the Czech market. Pilsner Urquell has shared its vision with Czech consumers and it worked. It managed to build a strong and trustworthy relationship with its Czech consumers.

Although, some recommendations are to be done and a few have been mentioned in the previous chapter. Pilsner Urquell, despite its already important position on the Czech market, has room for some improvements like most other well-known

brands. Constant improvement is the key to maintaining a strong and well-known brand.

This thesis has been written using different resources such as books on marketing, management or brand management, different articles from marketing papers or newspapers but also using official resources that can be found on the company's official website.

Concerning the different resources used, the market research has been the most used one. Although, it is slightly biased as people tend to not be completely honest while answering survey questions. This has been balanced by the large size of the survey.

Resources

- Heding, T., Knudtzen, C. and Bjerre, M. (2009). *Brand management*. London: Routledge.
- Retrieved from: Premysl Prusa's presentation: Brand Management. November 2016, Prague, Czech Republic.
- Kapferer, J. (2008). *The new strategic brand management*. London: Kogan Page.
- Jcna.com, (2016). Jaguar Clubs of North America |. [online] Available at: <http://www.jcna.com> [Accessed 29 Feb. 2016].
- YourDictionary, (2016). *Best Examples of a Vision Statement*. [online] Available at: <http://examples.yourdictionary.com/best-examples-of-a-vision-statement.html> [Accessed 29 Feb. 2016].
- Kolowich, L. (2016). The Marketer's Guide to Developing a Strong Corporate and Brand Identity. [online] Blog.hubspot.com. Available at: <http://blog.hubspot.com/blog/tabid/6307/bid/34238/The-Marketer-s-Guide-to-Developing-a-Strong-Brand-Identity.aspx> [Accessed 29 Feb. 2016].
- Jr, B. (2013). *A Brand is a Promise: 3 great examples of strong brands that make strong promises - Bill Marsh Jr.* [online] Bill Marsh Jr. Available at: <http://www.billmarshjr.com/a-brand-is-a-promise-3-great-examples-of-strong-brands-that-make-strong-promises/> [Accessed 29 Feb. 2016].
- Managementstudyguide.com, (2016). Brand Positioning - Definition and Concept. [online] Available at: <http://www.managementstudyguide.com/brand-positioning.htm> [Accessed 29 Feb. 2016].
- Moraes, M. (2016). 11 Tips to Help Improve Your Brand's Communication Strategy. [online] Blog.hubspot.com. Available at: <http://blog.hubspot.com/marketing/brand-communication-strategy> [Accessed 29 Feb. 2016].
- BusinessDictionary.com, (2016). What is price premium? definition and meaning. [online] Available at:

- <http://www.businessdictionary.com/definition/price-premium.html>
[Accessed 29 Feb. 2016].
- Study.com, (2016). What Is Brand Strategy? - Definition, Examples & Development | Study.com. [online] Available at: <http://study.com/academy/lesson/what-is-brand-strategy-definition-examples-development.html> [Accessed 29 Feb. 2016].
 - BusinessDictionary.com, (2016). *What is marketing strategy? definition and meaning.* [online] Available at: <http://www.businessdictionary.com/definition/marketing-strategy.html> [Accessed 29 Feb. 2016].
 - Jeffrey, B. (2016). *52 Types of Marketing Strategies – cultbranding.com.* [online] Cultbranding.com. Available at: <http://cultbranding.com/ceo/52-types-of-marketing-strategies/> [Accessed 29 Feb. 2016].
 - Segmentation criteria, based on Premysl Prusa's presentation Consumer behaviour, October 2015, Prague Czech Republic.
 - Mindtools.com, (2016). Segmentation, Targeting and Positioning Model: Increasing Revenue by. [online] Available at: <https://www.mindtools.com/pages/article/stp-model.htm> [Accessed 29 Feb. 2016].
 - Smartdraw.com, (2016). *Marketing Mix - 4Ps.* [online] Available at: <https://www.smartdraw.com/marketing-mix/examples/marketing-mix-4ps/> [Accessed 29 Feb. 2016]
 - Based on Premysl Prusa's visiting guest lecturer, November 2015, Prague, Czech Republic.
 - Loreal.com, (2016). *Brands-L'Oréal Group.* [online] Available at: <http://www.loreal.com/brand> [Accessed 29 Feb. 2016].
 - Branding Strategies. (2015). *Boundless.* [online] Available at: <https://www.boundless.com/marketing/textbooks/boundless-marketing-textbook/branding-and-packaging-10/branding-74/branding-strategies-378-10624/> [Accessed 29 Feb. 2016].
 - BusinessDictionary.com, (2016). *What is brand strategy? definition and meaning.* [online] Available at: <http://www.businessdictionary.com/definition/brand-strategy.html> [Accessed 29 Feb. 2016].

- Austin, C. (2016). *See The 10 Worst Brand Extensions Currently On The Market*. [online] Business Insider. Available at: <http://www.businessinsider.com/the-10-worst-brand-extensions-2013-2> [Accessed 29 Feb. 2016].
- The Marketing Mix, (2015). *Marketing Mix Definition - 4Ps & 7Ps of the Marketing Mix*. [online] Available at: <http://marketingmix.co.uk> [Accessed 29 Feb. 2016].
- Management.net, ~~0~~. (2016). *Summary of the BCG Matrix. Abstract*. [online] Valuebasedmanagement.net. Available at: http://www.valuebasedmanagement.net/methods_bcgmatrix.html [Accessed 6 Apr. 2016].
- Netmba.com. (2016). *Marketing Process*. [online] Available at: <http://www.netmba.com/marketing/process/> [Accessed 6 Apr. 2016].
- Fr.slideshare.net. (2011). *Cbbe*. [online] Available at: <http://fr.slideshare.net/olive88/cbbe-10377009> [Accessed 6 Apr. 2016].
- Lake, L. and Lake, L. (2016). *How to Calculate Your Brand's Value*. [online] About.com Money. Available at: <http://marketing.about.com/od/brandstrategy/fl/How-to-Place-a-Value-on-Your-Brand.htm> [Accessed 6 Apr. 2016].
- Smallbusiness.chron.com. (2016). *Product Positioning Vs. USP*. [online] Available at: <http://smallbusiness.chron.com/product-positioning-vs-usp-37843.html> [Accessed 6 Apr. 2016].
- 1.bp.blogspot.com. (2016). *strategic_brand_analysis.gif (image)*. [online] Available at: http://1.bp.blogspot.com/_S6SggHTCCyI/RwPO0_SY9bI/AAAAAAAAAAM/hKBhEI26rKg/s1600-h/strategic_brand_analysis.gif [Accessed 6 Apr. 2016].
- Hospodalucerna.cz. (2016). *NÁPOJOVÝ LÍSTEK | Hospoda Lucerna*. [online] Available at: <http://www.hospodalucerna.cz/napojovy-listek/> [Accessed 10 Apr. 2016].
- FG Forrest, 2. (2016). *A Brief History of Czech Beer*. [online] Prague.eu. Available at: <http://www.prague.eu/en/articles/history-of-czech-beer-10522> [Accessed 11 Apr. 2016].

- Ceske-pivo.cz. (2016). *Historie českého pivovarnictví: Data a fakta | ČSPS*. [online] Available at: <http://www.ceske-pivo.cz/historie-ceskeho-pivovarnictvi-data-fakta> [Accessed 11 Apr. 2016].
- Europeanbeerguide.net. (2016). *Breweries of the Czech Republic: beer styles and their history*. [online] Available at: <http://www.europeanbeerguide.net/czecintr.htm> [Accessed 11 Apr. 2016].
- Wipo.int. (2016). *Geographical Indications*. [online] Available at: http://www.wipo.int/geo_indications/en/ [Accessed 11 Apr. 2016].
- Czech.cz. (2016). *Beer Nation – Czech Republic*. [online] Available at: <http://www.czech.cz/en/Podnikani/Firmy-v-CR/Cesko---zeme-piva> [Accessed 11 Apr. 2016].
- Nakup.itesco.cz. (2016). *Beer - Groceries - Tesco*. [online] Available at: <http://nakup.itesco.cz/en-GB/Product/BrowseProducts?taxonomyId=Cat00000500> [Accessed 11 Apr. 2016].
- Euromonitor.com. (2016). *Beer in the Czech Republic*. [online] Available at: <http://www.euromonitor.com/beer-in-the-czech-republic/report> [Accessed 11 Apr. 2016].
- Conbiz.eu. (2016). *The Czech beer market - Conbiz - Business Consulting Services in Israel & Czech Republic*. [online] Available at: <http://www.conbiz.eu/information/articles/the-czech-beer-market> [Accessed 11 Apr. 2016].
- Csmnp.cz. (2014). *CSMNP*. [online] Available at: <http://csmnp.cz> [Accessed 11 Apr. 2016].
- Simopt, s. (2016). *History and tradition - About Us :: Plzensky Prazdroj, a. s.* [online] Prazdroj.cz. Available at: <https://www.prazdroj.cz/en/about-us/history-and-tradition> [Accessed 11 Apr. 2016].
- White, A. (2014). *Are the Australians drinking less beer?*. [online] Telegraph.co.uk. Available at: <http://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/11227803/Are-the-Australians-drinking-less-beer.html> [Accessed 11 Apr. 2016].
- PIVNÍ MIXY NETÁHNOU, Č. (2016). *PIVNÍ MIXY NETÁHNOU, ČEŠI ZŮSTÁVAJÍ VĚRNÍ KLASICKÉMU PIVU*. [online] Nielsen.com.

- Available at: <http://www.nielsen.com/cz/cs/insights/reports/2014/pivni-mixy-netahnou-cesi-zustavaji-verni-klasickemu-pivu.html> [Accessed 11 Apr. 2016].
- lidí, O. (2016). *Ochucené pivo je nápojem žen a mladých lidí*. [online] Nielsen.com. Available at: <http://www.nielsen.com/cz/cs/insights/reports/2013/ochucene-pivo-je-napojem-zen-a-mladych-lidi.html> [Accessed 10 Apr. 2016].
 - Simopt, s. (2016). *About beer - Beer :: Plzensky Prazdroj, a. s.* [online] Prazdroj.cz. Available at: <https://www.prazdroj.cz/en/beer/for-beer-drinkers/about-beer> [Accessed 18 Apr. 2016].
 - Pilsner Urquell. (2011). *Age Gate*. [online] Available at: <http://pilsnerurquell.com/uk/newsletter> [Accessed 17 Apr. 2016].
 - Euromonitor.com. (2016). *Beer in the Czech Republic*. [online] Available at: <http://www.euromonitor.com/beer-in-the-czech-republic/report> [Accessed 9 Apr. 2016].
 - YouTube. (2016). *Reklama Pilsner Urquell - Vánoce 2013*. [online] Available at: <https://www.youtube.com/watch?v=7MayZgfjbiM> [Accessed 17 Apr. 2016].
 - Amic.cz. (2016). *Pilsner Urquell | AMI Communications Public Relations*. [online] Available at: <http://www.amic.cz/tiskove-stredisko/pilsner-urquell/fotoarchiv/> [Accessed 17 Apr. 2016].
 - YouTube. (2016). *Pilsner Urquell advertisement*. [online] Available at: <https://www.youtube.com/watch?v=m1BcFgJiGV8> [Accessed 10 Apr. 2016].
 - E15.cz. (2008). *Pilsner Urquell – Hrdý sponzor olympijského týmu*. [online] Available at: <http://strategie.e15.cz/prilohy/marketing-magazin/pilsner-urquell-hrды-sponzor-olympijskeho-tymu-468926> [Accessed 17 Apr. 2016].
 - Prazdrojvisit.cz. (2016). *Pilsner Urquell Brewery Tour / Prazdroj Visit*. [online] Available at: <http://www.prazdrojvisit.cz/en/tours/pilsner-urquell-brewery-tour/> [Accessed 10 Apr. 2016]

Annexes List

- Annexe 1: Keller's customer-based brand equity model
- Annexe 2: Kapferer's brand identity prism
- Annexe 3: Oreo's communication strategy, an example
- Annexe 4: Old Spice's advertisement
- Annexe 5: The 4P's
- Annexe 6: Beer consumption per head in liters: Czech republic number one
- Annexe 7: Top 10 Beer consumption
- Annexe 8: Sales of beer
- Annexe 9: Graph, Do people drink beer
- Annexe 10: Most famous breweries in Czech Republic
- Annexe 11: Respondents' ages
- Annexe 12: Respondents' monthly household income
- Annexe 13: Respondents' household size
- Annexe 14: What sort of beers do people drink
- Annexe 15: Which brands do people know
- Annexe 16: What are People's favourite brands
- Annexe 17: Why are these brands people's favourite
- Annexe 18: The reason why people drink beer
- Annexe 19: How many beers per week do people drink
- Annexe 20: Where do people drink beer
- Annexe 21: Who do people drink beer with
- Annexe 22: Do people consider beer a family tradition
- Annexe 23: What is people's opinion regarding beer
- Annexe 24: Do people drink Pilsner Urquell
- Annexe 25: How do people describe the taste of Pilsner Urquell
- Annexe 26: Why do people drink Pilsner Urquell
- Annexe 27: How do people like Pilsner Urquell's packaging
- Annexe 28: How do people like Pilsner Urquell's label
- Annexe 29: How would people assess Pilsner Urquell's price

Annexe 30: Do people know any advertisement of Pilsner Urquell

Annexe 31: Do people feel positive emotions while drinking Pilsner Urquell

Annexe 32: Is the Czech origin of Pilsner important for people

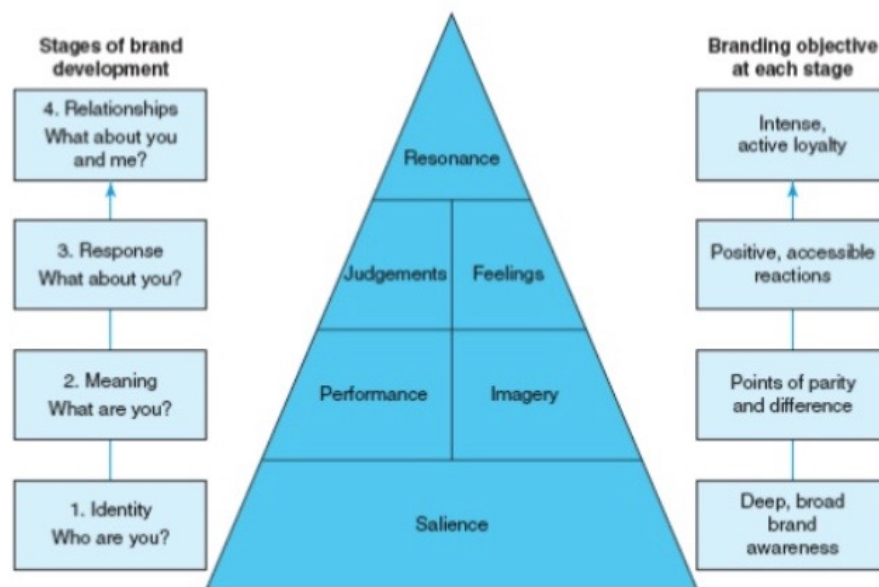
Annexe 33: Where do people drink Pilsner Urquell

Annexe 34: From where do people know Pilsner Urquell

Annexe 35: Can Pilsner Urquell express people's social status

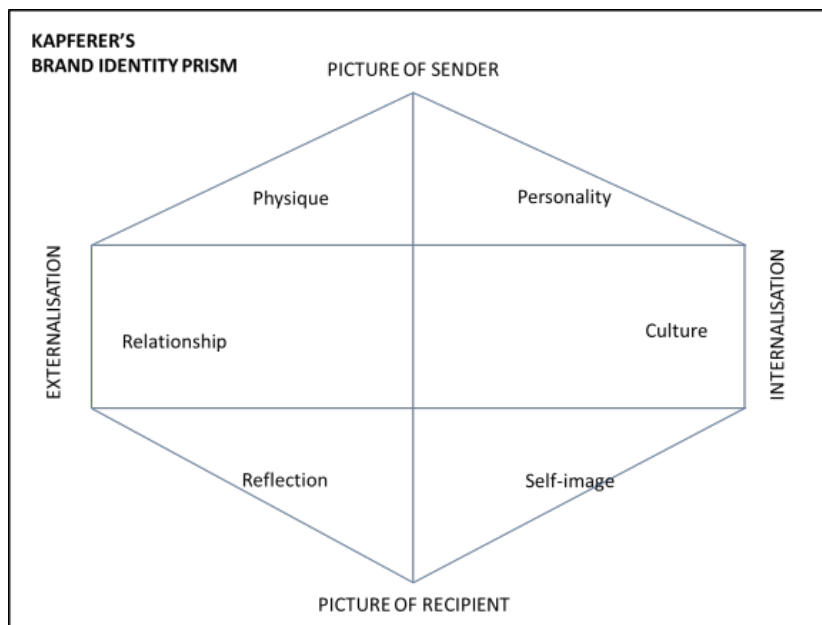
Annexes

Annexe 1: Keller's customer-based brand equity model



Source: Google.cz. (2016). *customer based brand equity model - Hledat Googlem*. [online] Available at: https://www.google.cz/search?q=customer+based+brand+equity+model&client=safari&rls=en&source=lnms&tbm=isch&sa=X&ved=0ahUKEwisp7Gh2_nLAhVDDZoKHxcPBEsQ_AUIBygB&biw=662&bih=650#imgdii=gs1FrCoICKTkzM%3A%3Bgs1FrCoICKTkzM%3A%3B61DhsRQktmepoM%3A&imgc=gs1FrCoICKTkzM%3A [Accessed 11 Apr. 2016].

Annexe 2: Kapferer's brand identity prism



Source: Kolowich, L. (2016). *The Marketer's Guide to Developing a Strong Corporate and Brand Identity*. [online] Blog.hubspot.com. Available at: <http://blog.hubspot.com/blog/tabid/6307/bid/34238/The-Marketer-s-Guide-to-Developing-a-Strong-Brand-Identity.aspx> [Accessed 29 Feb. 2016].

Annexe 3: Oreo's communication strategy, an example



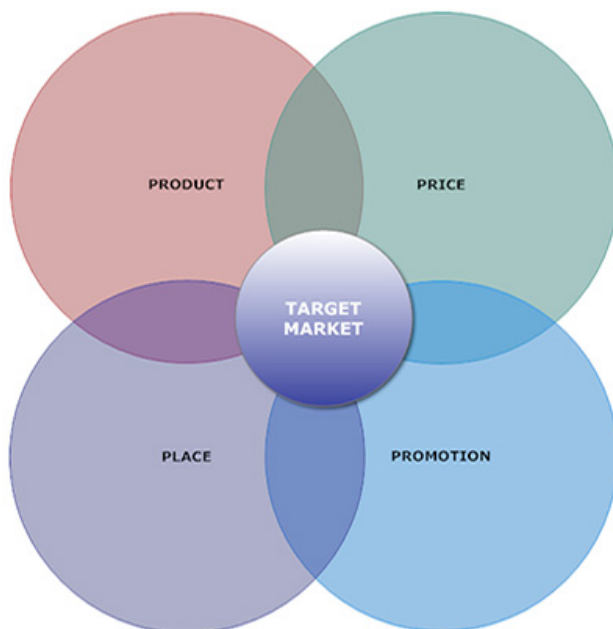
Source: Moraes, M. (2016). *11 Tips to Help Improve Your Brand's Communication Strategy*. [online] Blog.hubspot.com. Available at: <http://blog.hubspot.com/marketing/brand-communication-strategy> [Accessed 29 Feb. 2016].

Annexe 4: Old Spice's advertisement



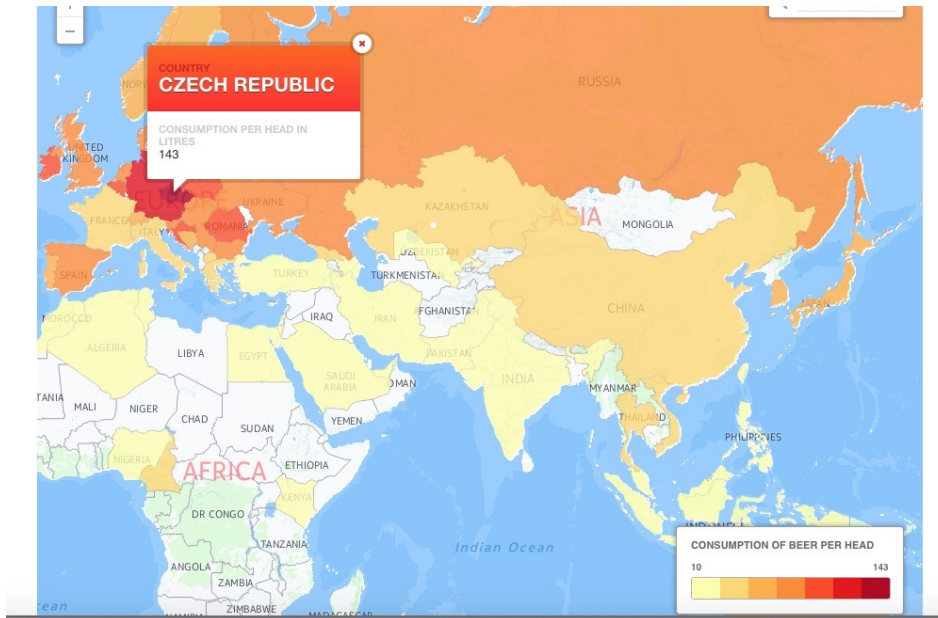
Source: Moraes, M. (2016). *11 Tips to Help Improve Your Brand's Communication Strategy*. [online] Blog.hubspot.com. Available at: <http://blog.hubspot.com/marketing/brand-communication-strategy> [Accessed 29 Feb. 2016].

Annexe 5: The 4P's



Source: Smartdraw.com, (2016). *Marketing Mix - 4Ps*. [online] Available at: <https://www.smartdraw.com/marketing-mix/examples/marketing-mix-4ps/> [Accessed 29 Feb. 2016].

Annexe 6: Beer consumption per head in liters: Czech republic number one



Source: Akkoc, R. (2014). *Beer sales around the world - who drinks the most?*. [online] Telegraph.co.uk. Available at: <http://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/leisure/11237013/Mapped-Beer-sales-around-the-world-who-drinks-the-most.html> [Accessed 9 Apr. 2016].

Annexe 7 : Top 10 Beer consumption

Top 10: Countries listed in order of highest beer consumption per head (total consumed in brackets)

1. Czech Republic: 143 litres (1.5bn litres)
2. Germany: 110 litres (8.9bn litres)
3. Austria: 108 litres (920m litres)
4. Estonia: 104 litres (135m litres)
5. Poland: 100 litres (3.8bn litres)
6. Ireland: 93 litres (430m litres)
7. Romania: 90 litres (1.8bn litres)
8. Lithuania: 89 litres (260m litres)
9. Croatia: 82 litres (346 litres)
10. Belgium: 81 litres (900m litres)

Source: Akkoc, R. (2014). *Beer sales around the world - who drinks the most?*. [online] Telegraph.co.uk. Available at: <http://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/leisure/11237013/Mapped-Beer-sales-around-the-world-who-drinks-the-most.html> [Accessed 9 Apr. 2016].

Annexe 8: Sales of beer

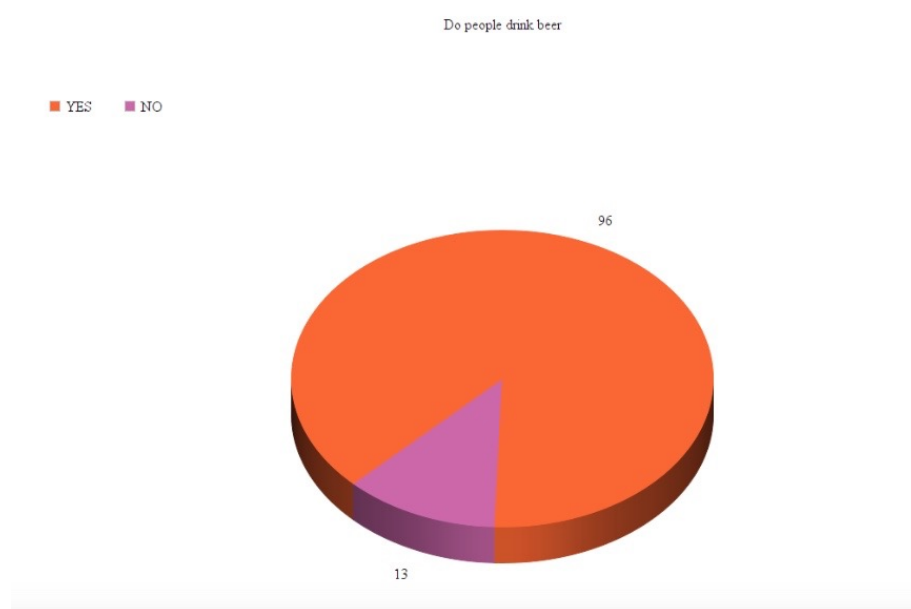
PRODEJE PIVA, PIVNÍCH MIXŮ A CIDERŮ V MO SÍTĚ V ČR*)

	Prodaný objem v hl			Tržby v mil. Kč		
	01-05/13	01-05/14	Změna	01-05/13	01-05/14	Změna
Klasické pivo	2 551 786	2 683 356	5,2%	5 403	5 692	5,4%
Pivní mixy	83 732	54 265	-35,2%	269	204	-24,1%
Cider	536	2 698	402,9%	4	19	340,4%

*) Odhady prodejů vycházející z maloobchodního auditu společnosti Nielsen v hypermarktech, supermarketech, diskontech, v tradičních potravinách a obchodech se smíšeným zbožím. Prodeje z Makra konečnému zákazníkovi vyloučeny.

Source: Different types and mix of beer do not work (2016). *Czech people stay faithful to traditional beer.* [online] Nielsen.com. Available at: <http://www.nielsen.com/cz/cs/insights/reports/2014/pivni-mixy-netahnou-cesi-zustavaji-verni-klasickemu-pivu.html> [Accessed 9 Apr. 2016]

Annexe 9: Graph, Do people drink beer



Source: Based on a market research conducted by Sophie Vasak in 2014, 109 respondents.

Annexe 10: Most famous breweries in Czech Republic

Largest Czech Breweries

- **Pilzeňský Prazdroj Group** (Pilsner Urquell, Gambrinus, Velkopopovický kozel, Radegast, etc.)
- **Staropramen Brewery** (Staropramen, Braník, Velvet, etc.)
- **Heineken Česká republika Group** (Starobrnno, Krušovice, Zlatopramen, Březňák)
- **Budějovický Budvar** (Budweiser, Budvar, Budweiser Budvar, etc.)
- **PMS Píseň Group** (Litovel, Zubr, Holba)

The Czech Republic has over 70 medium-sized and small, mainly family breweries, such as:

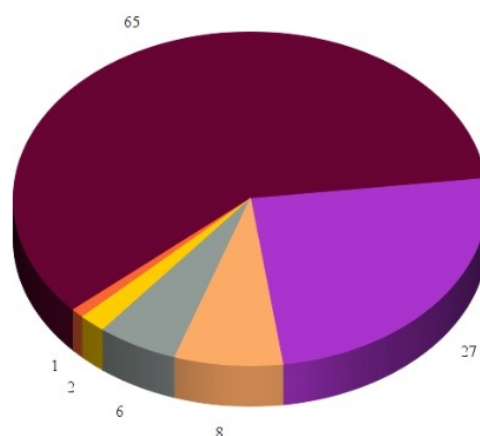
- **Bernard Family Brewery** – Humpolec
- **Svijany Brewery** – Svijany
- **Platan Brewery** – Protivín
- **Náchod Brewery** – Náchod
- **Černá Hora Brewery**, etc.

Source: Czech.cz. (2016). *Beer Nation – Czech Republic*. [online] Available at: <http://www.czech.cz/en/Business/Czech-companies/Beer-Nation---Czech-Republic> [Accessed 9 Apr. 2016].

Annexe 11: Respondents' age

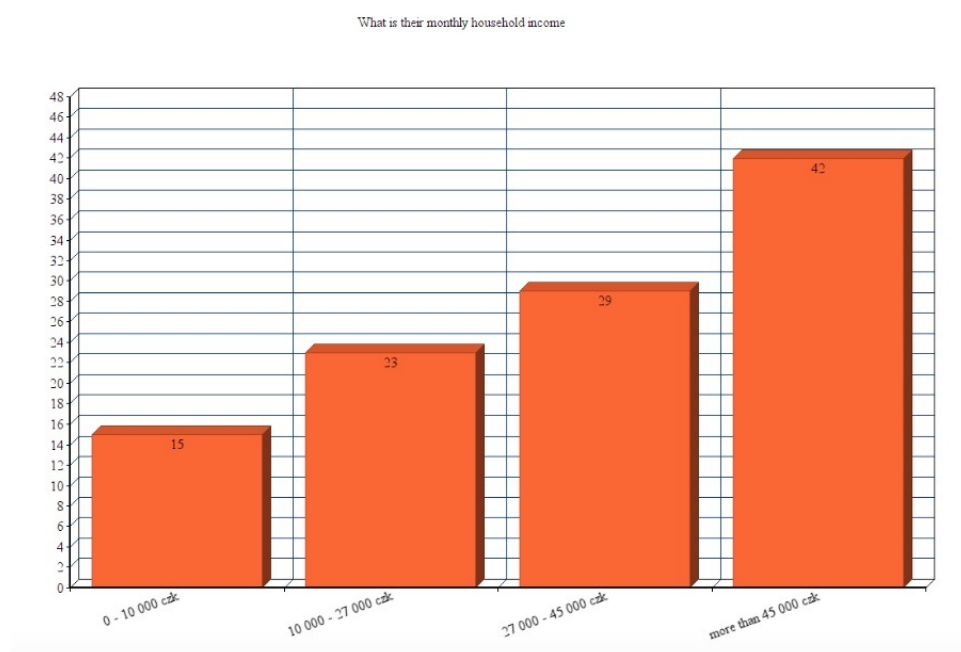
How old are people that took part in this survey

15-18 years old 18-25 years old 25-35 years old 35-45 years old 45-60 years old More than 60 years old



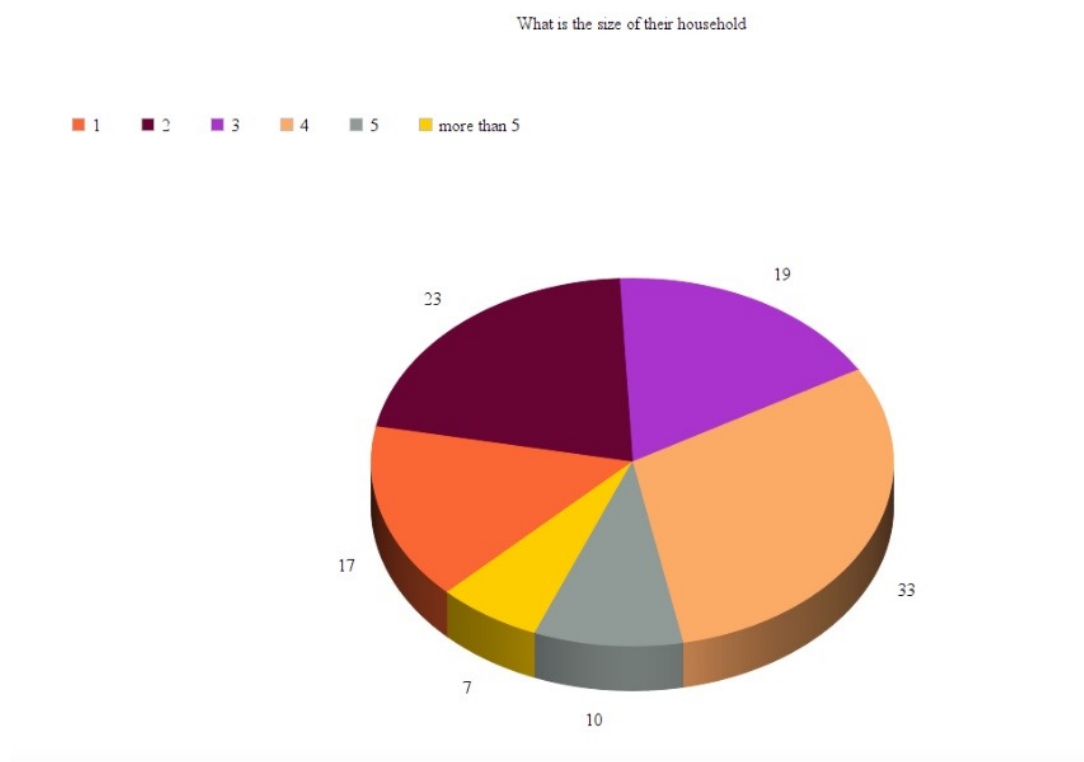
Source: Based on a market research conducted by Sophie Vasak in 2014, 109 respondents

Annexe 12: *Respondents' monthly household income*



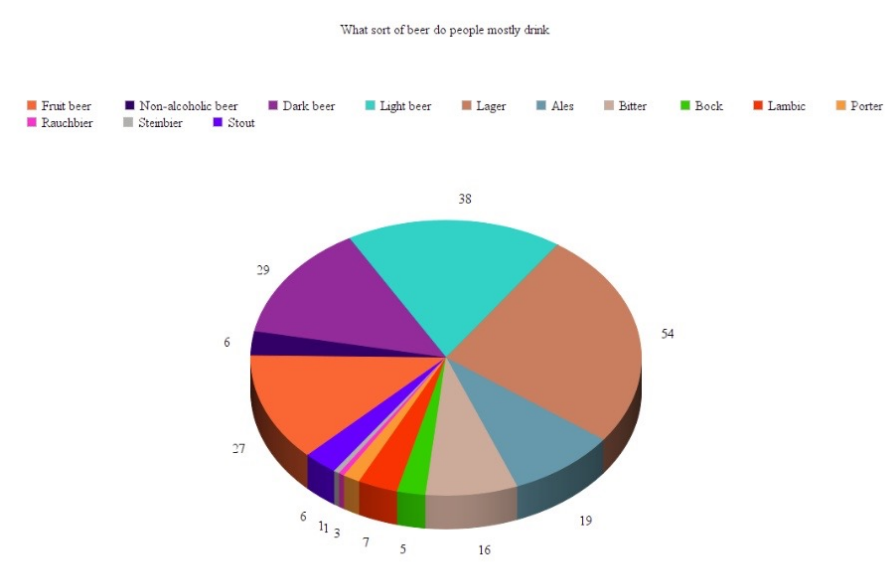
Source: Based on a market research conducted by Sophie Vasak in 2014, 109 respondents

Annexe 13: *Respondents' household size*



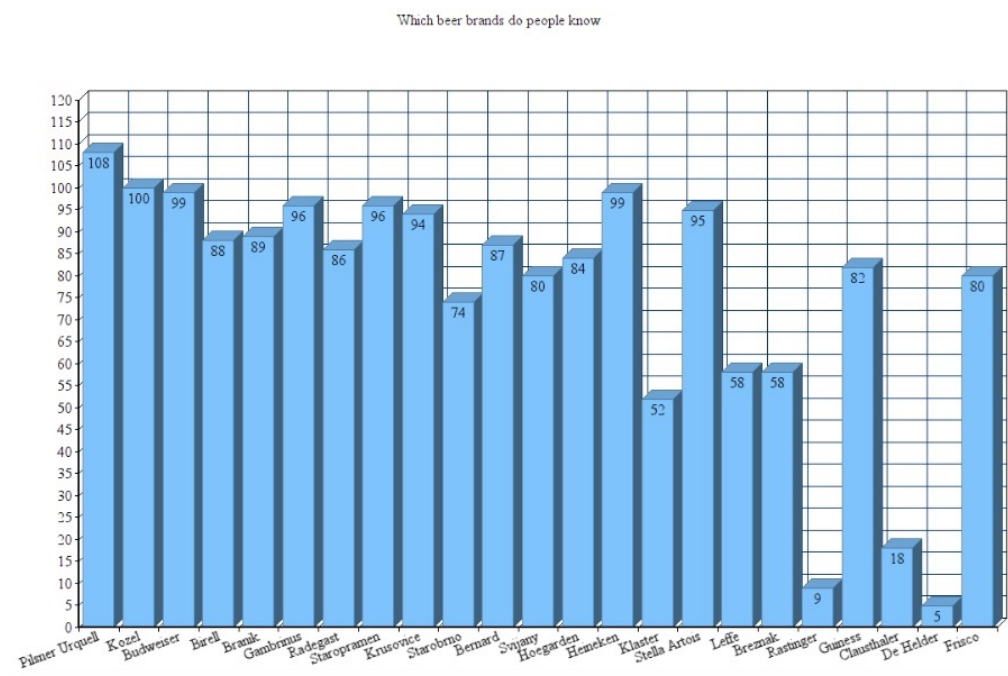
Source: Based on a market research conducted by Sophie Vasak in 2014, 109 respondents

Annexe 14 : What sort of beers do people drink



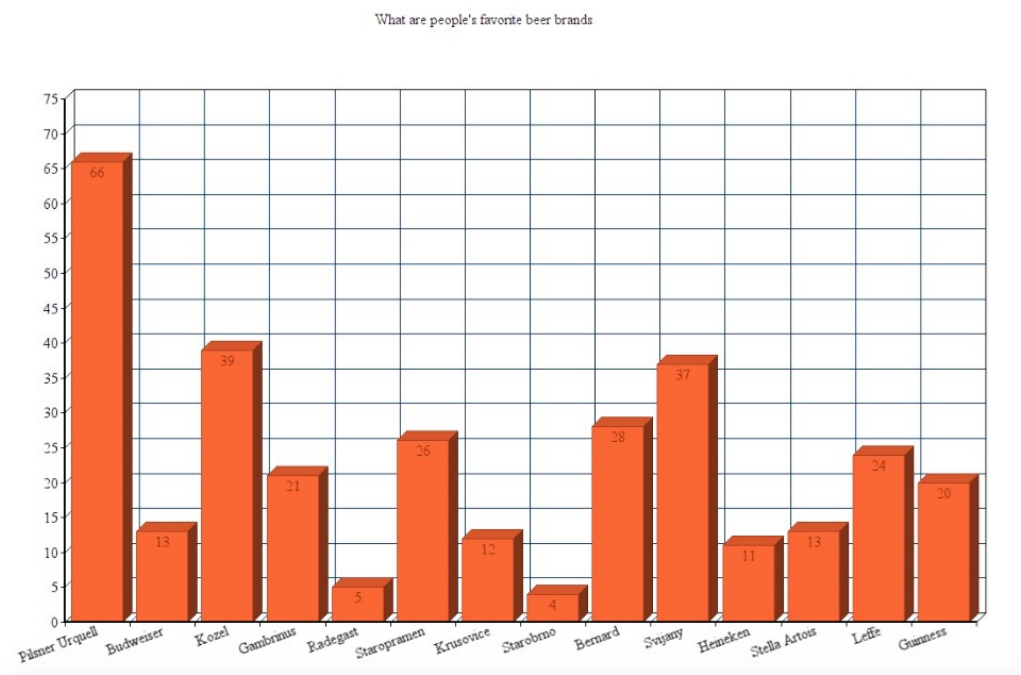
Source: Based on a market research conducted by Sophie Vasak in 2014.

Annexe 15: Which beer brands do people know



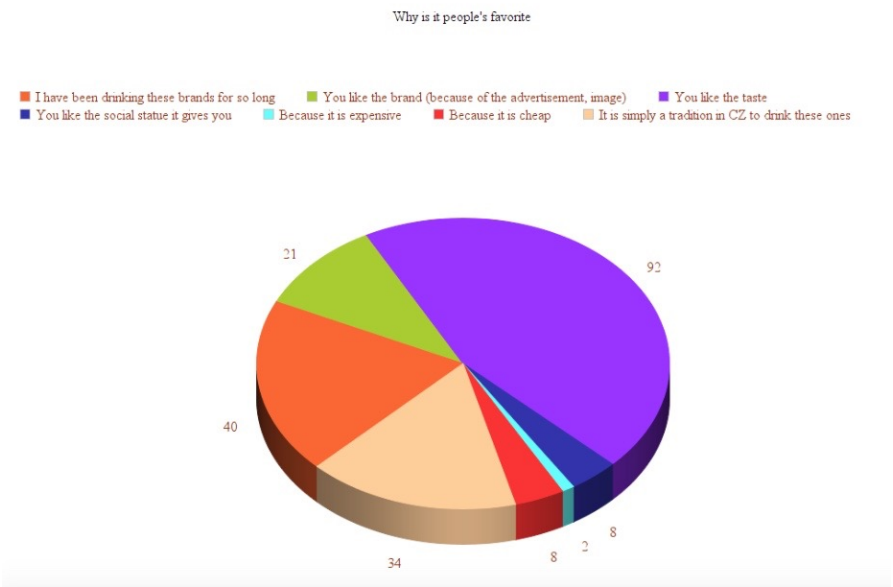
Source: Based on a market research conducted by Sophie Vasak in 2014

Annexe 16: *What are people's favourite beer brands*



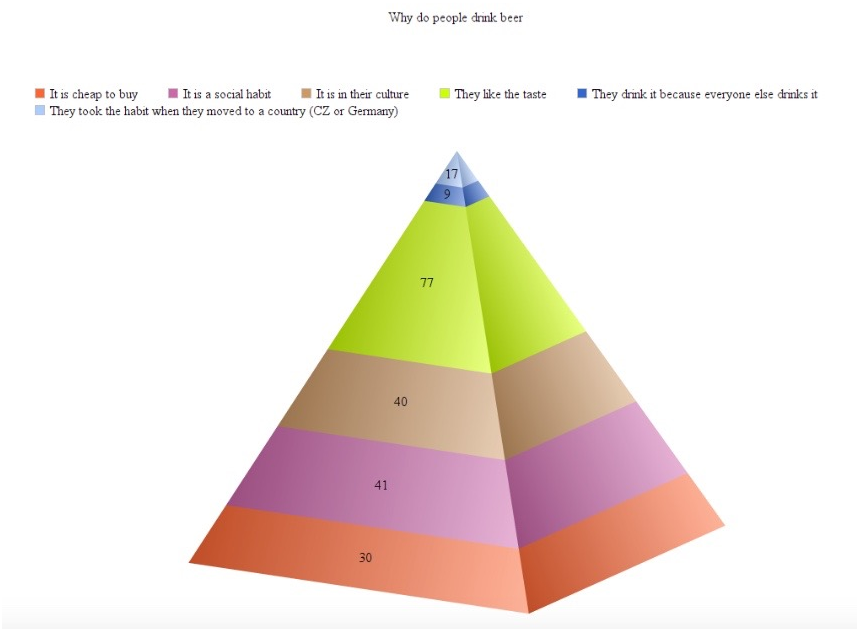
Source: Based on a market research conducted by Sophie Vasak in 2014

Annexe 17 : *Why are these brands people's favourite*



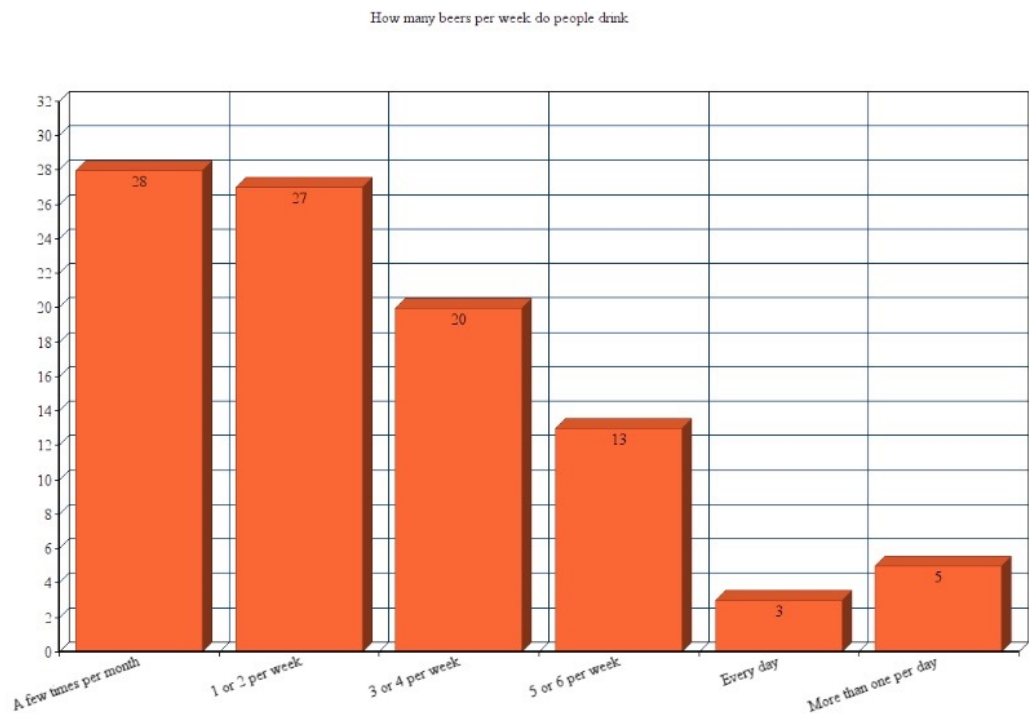
Source: Based on a market research conducted by Sophie Vasak in 2014

Annexe 18: The reason why people drink beer



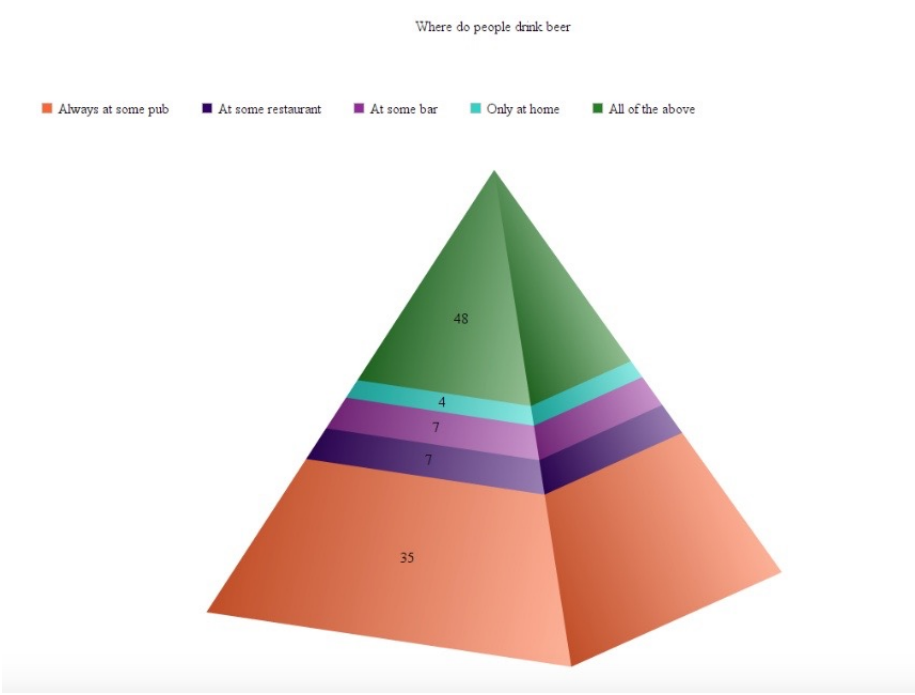
Source: Based on a market research conducted by Sophie Vasak in 2014.

Annexe 19: How many beers per week do people drink



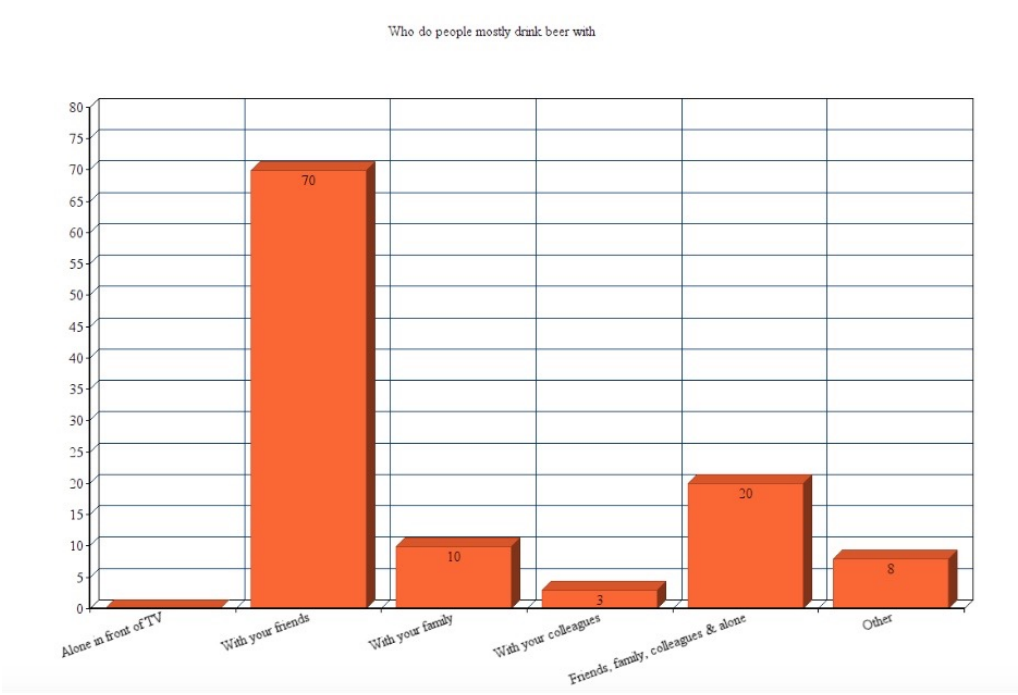
Source: Based on a market research conducted by Sophie Vasak in 2014, 109 respondents

Annexe 20: Where do people drink beer



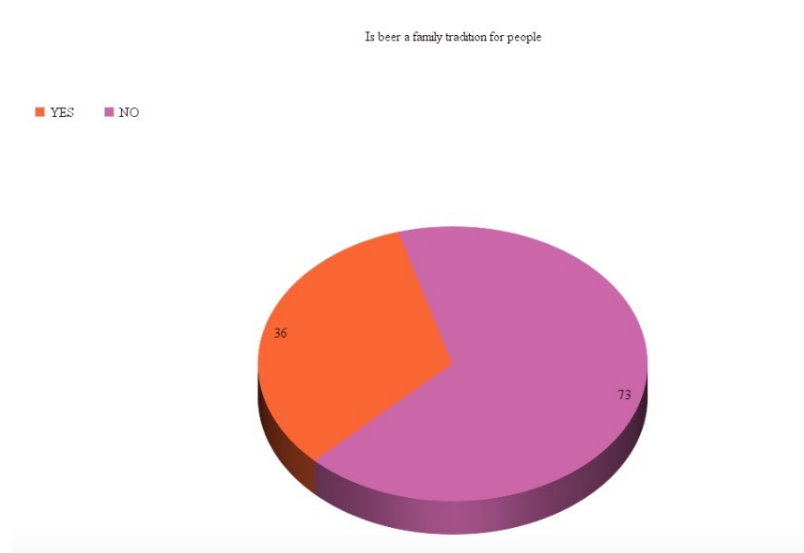
Source: Based on a market research conducted by Sophie Vasak in 2014

Annexe 21 : Who do people drink beer with



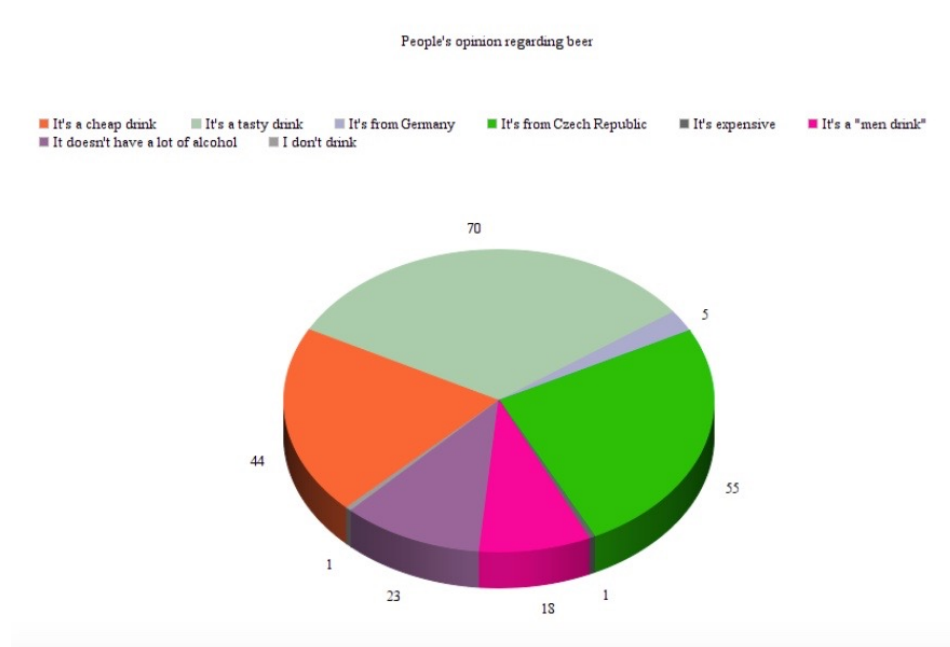
Source: Based on a market research conducted by Sophie Vasak in 2014

Annexe 22: Do people consider beer a family tradition



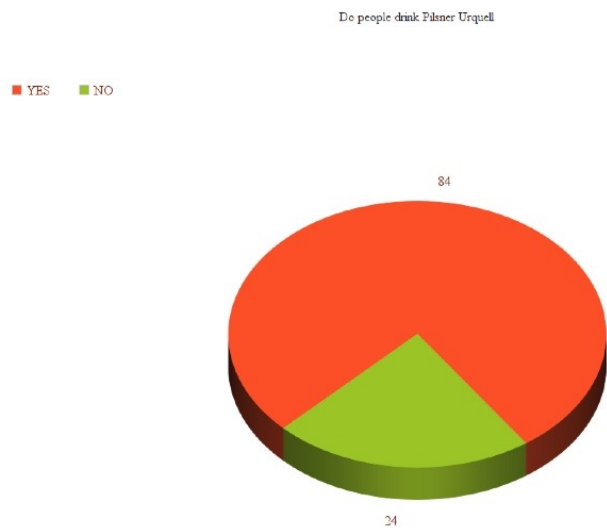
Source: Based on a market research conducted by Sophie Vasak in 2014, 109 respondents

Annexe 23 : What is people's opinion regarding beer



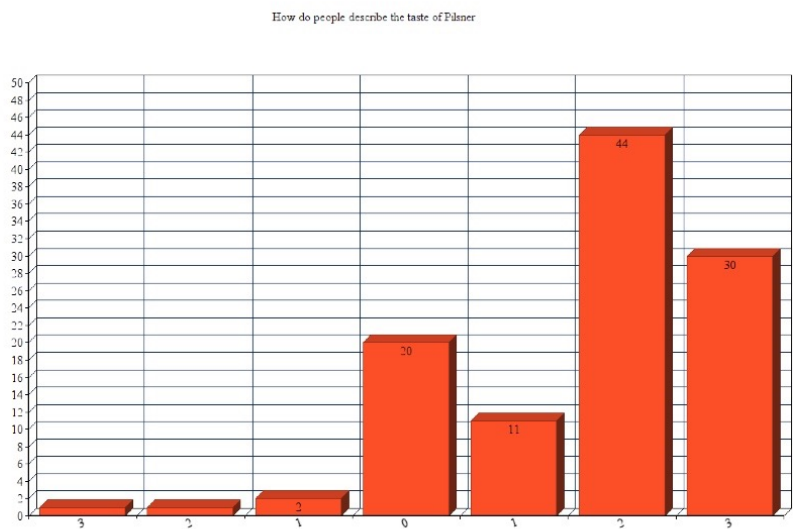
Source: Based on a market research conducted by Sophie Vasak in 2014

Annexe 24: Do people drink Pilsner Urquell



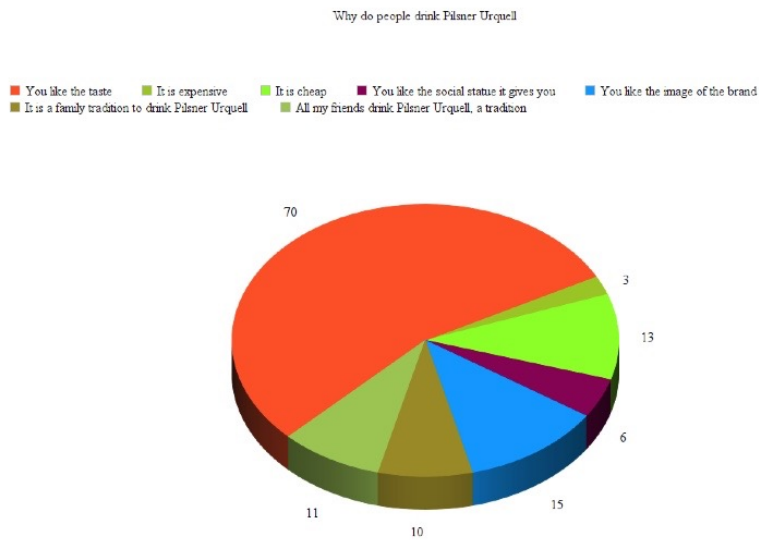
Source: Based on a market research conducted by Sophie Vasak in 2014, 109 respondents

Annexe 25: How do people describe the taste of Pilsner Urquell



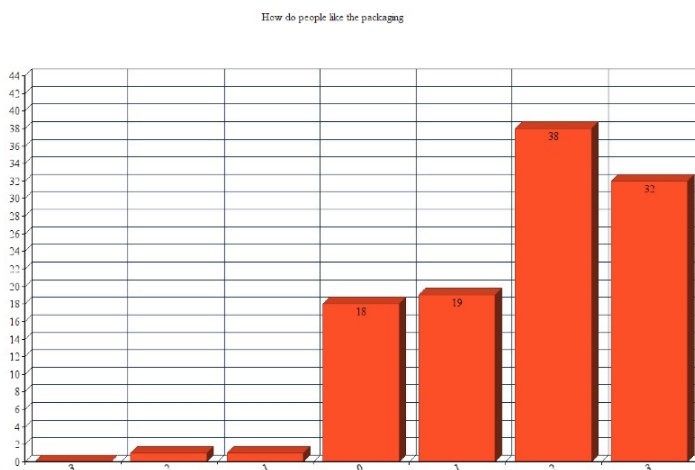
Source: Based on a market research conducted by Sophie Vasak in 2014, 109 respondents

Annexe 26: Why do people drink Pilner Urquell



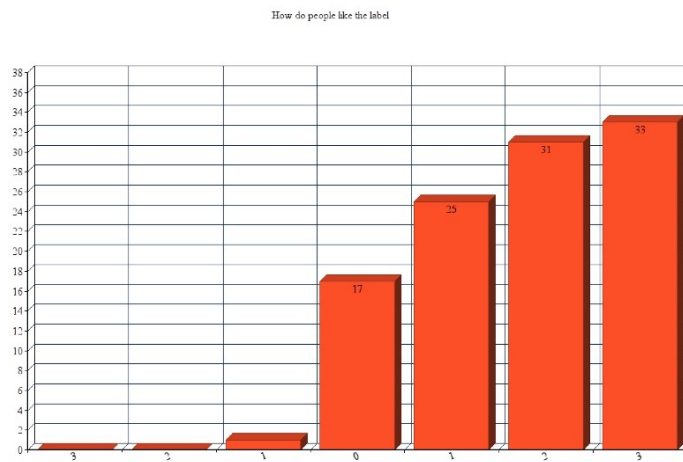
Source: Based on a market research conducted by Sophie Vasak in 2014

Annexe 27: How do people like Pilsner Urquell's packaging



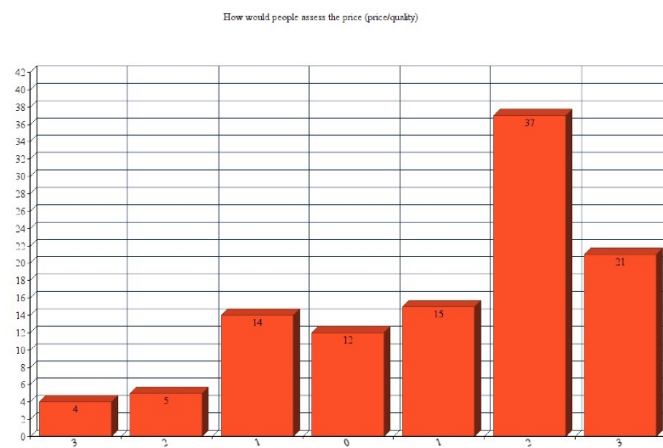
Source: Based on a market research conducted by Sophie Vasak in 2014

Annexe 28: How do people like Pilsner Urquell's label



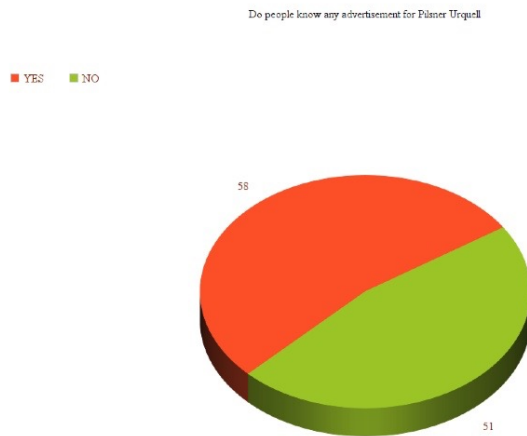
Source: Based on a market research conducted by Sophie Vasak in 2014

Annexe 29 : How would people assess Pilsner Urquell's price



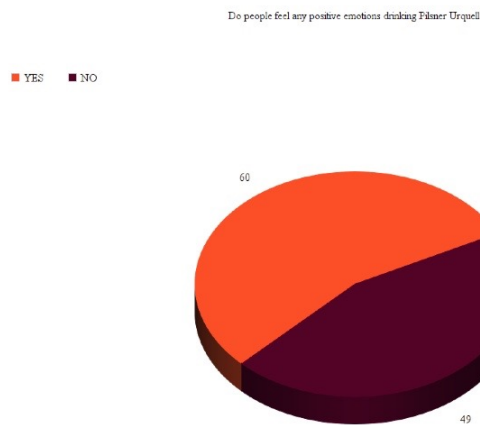
Source: Based on a market research conducted by Sophie Vasak in 2014

Annexe 30: Do people know any advertisement of Pilsner Urquell



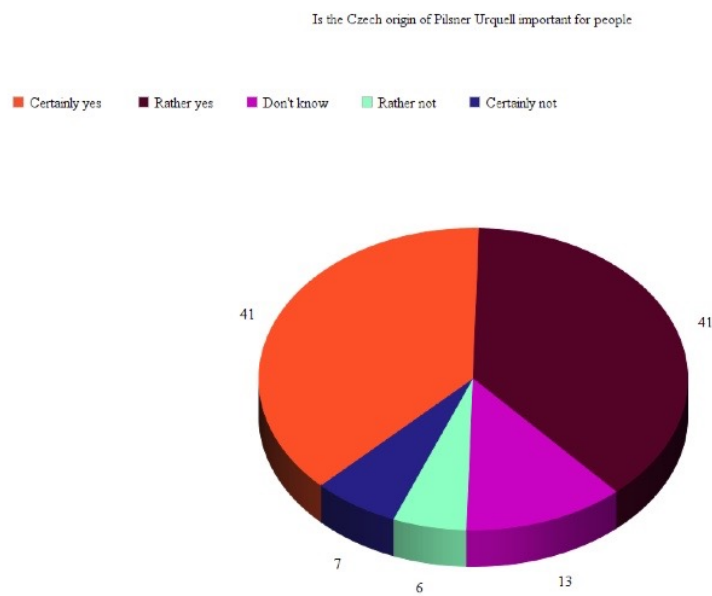
Source: Based on a market research conducted by Sophie Vasak in 2014, 109 respondents

Annexe 31 : Do people feel positive emotions while drinking Pilsner Urquell



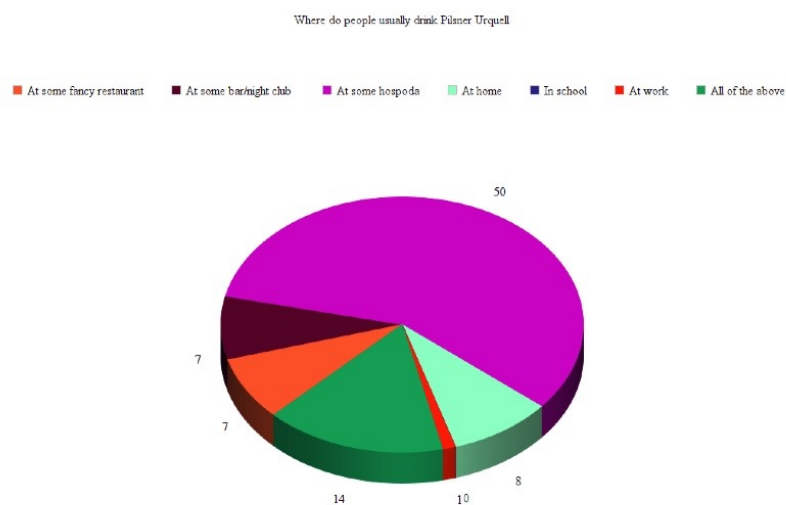
Source: Based on a market research conducted by Sophie Vasak in 2014

Annexe 32: Is the Czech origin of Pilsner important for people



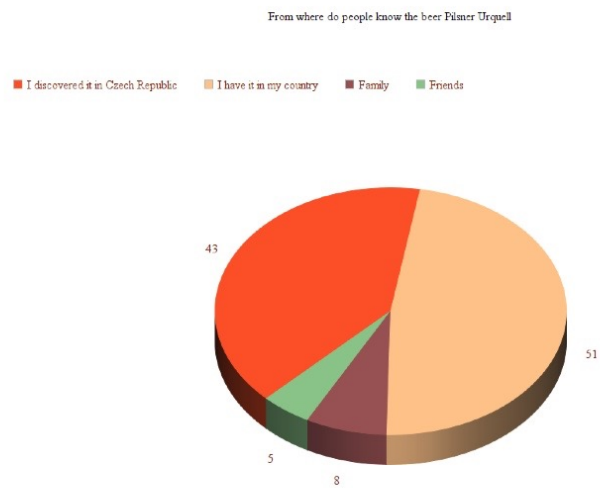
Source: Based on a market research conducted by Sophie Vasak in 2014

Annexe 33: Where do people drink Pilsner Urquell



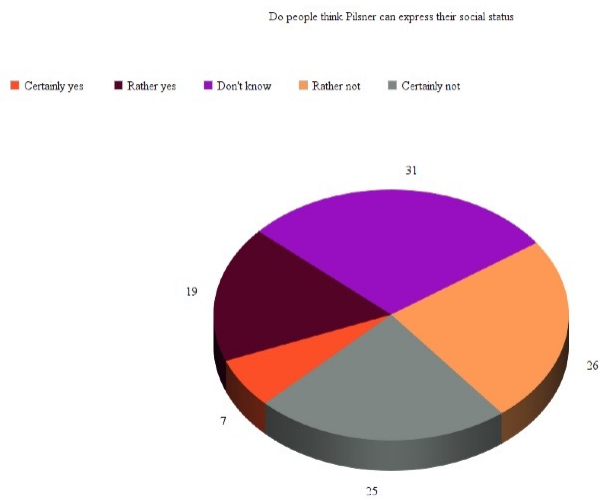
Source: Based on a market research conducted by Sophie Vasak in 2014

Annexe 34 : From where do people know Pilsner Urquell



Source: Based on a market research conducted by Sophie Vasak in 2014

Annexe 35: Can Pilsner Urquell express people's social status



Source: Based on a market research conducted by Sophie Vasak in 2014

