



**MARQUETTE**  
**UNIVERSITY**

**College of Business Administration**  
Applied Investment Management

# **Proceedings of the semestral course between University of West Bohemia and Marquette University**

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**Academic year: 2016/2017**

Dear reader,

We would like to present you a package of 9 semestral works that are a result of the joint venture course between the Faculty of Economics (University of West Bohemia) and Business College (Marquette University).

As an every-year event, this course belongs among the most traditional and most successful examples of international mobilities. This year, 10 Czech students and 11 American students have been working for whole semester on different projects, that were unified under one topics umbrella „The Brand Phenomenon and the Globalized World“. Students in international teams thus had to analyse and compare, how „brand“ of either small or big companies is dealt at either our or American side of the Atlantic.

Important part of the course were mutual visits: the US group arrived for a week visit to the Czech Republic in March 2017, a month later Czech group traveled to Milwaukee and surrounding area. During their visits they could get acquainted with different businesses, interact and discussed with managers and have cross-culture experience at hosting country.

Their projects were presented at Marquette University 29th April, 2017. The fruit of their effort is possible to read at following pages of this document. We hope you enjoy reading at least as much as our students enjoyed this semestral course.

In Pilsen,

2nd June, 2017

Jiri Preis & Michal Micik

Coordinators of the course in the academic year 2016-2017

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# Comparing the Branding of the University of West Bohemia and Marquette University

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Eliška Šibrová, Adam Trainor and Jan Ullmann



## **Executive Summary**

Our project focuses on comparing the brands and branding strategies of Marquette University and the University of West Bohemia. Through in-depth research from primary and secondary sources, we analyzed the positive and negatives of each universities branding techniques. Additionally, we looked at the similarities and differences of both universities' branding strategies. We analyzed the traditional media, web pages and social media, spirit shops, as well as the students and public perceptions of each university.

After analyzing both universities we drew conclusions and provided recommendations for both universities. Our recommendations specify the steps that Marquette University and the University of West Bohemia should take in order to improve their respective brand images across various marketing mediums that will lead to greater brand equity.

# Introduction of the Universities

## University of West Bohemia

University of west Bohemia is located in Pilsen, and with more than 12 000 students it is one of ten biggest universities in Czech republic.

Picture 1: Logo of UWB



Source: UWB, 2017

### **Basic Information:**

- Founded in Pilsen, Czech republic, 1991
- Nine Faculties and Two institutes
- Over 12 000 students
- Two-hundred one study programmes
- Rector: Doc. Dr. RNDr. Miroslav Holeček

Picture 2: Campus of UWB



Source: University of West Bohemia, 2017

### **History:**

The University of West Bohemia was established by merging of the Institute of Technology in Pilsen and the College of Education in 1991.

The Institute of Technology was founded in 1949 as a branch of the Czech Technical University in Prague. In 1953 it became an independent institution. In 1960 it was divided into two faculties – the Faculty of Electrical Engineering and the Faculty of Mechanical Engineering. Two new faculties – the Faculty of Applied Sciences and the Faculty of Economics – were established in 1990, a few months after the Velvet Revolution.

The College of Education was founded in 1948 as a part of Charles University, Prague. For a several years, it operated as an independent School of Higher Education, then as an Institute of Education, and since 1964 as an independent College of Education training teachers for primary and secondary schools. Since 1991, the Faculty of Education is a part of the University of West Bohemia.

In 1993, two years after the University of West Bohemia was founded, a sixth faculty – the Faculty of Law – was established in order to meet the increased demand for legal education in the Czech economic, social and legal systems after 1989.

After the introduction of the Higher Education Act, the University of West Bohemia became officially the University of West Bohemia in Pilsen in 1999.

The Faculty of Humanities was established ten years after the Revolution, as seventh faculty. Since 3 January 2005, the Faculty of Humanities has been renamed to Faculty of Philosophy and Arts.

The institute of Art and Design was established as an independent Institute of Higher Education in 2004. The Faculty of Health Care Studies was established in 2008 and the Institute of Applied Language was also established in 2008.

### **Present:**

In present time is University of West Bohemia considered as one of top universities in Czech Republic, mostly due to research done by institutes NTIS and RICE, and faculties of Applied Sciences, Electrical Engineering and Mechanical Engineering. University is cooperating with many companies in Pilsen, which provides many opportunities for students to get experience as interns. There are also many student organizations like AISEC or IAESTE which are providing students many interesting opportunities. Also cultural life on University of West Bohemia is rich. With events like majáles (open-air festival organized by students) or ice hockey battle of Pilsen. And if students wants to experience a new culture, they can spend semester or two abroad thanks to ERASMUS and FREE MOVERS.

Picture 3: Pilsen majáles



source: bandzone.cz, 2016

### **Faculty of Economics:**

Faculty of Economics was founded in 1990, and is located in Pilsen, with detached work place in Cheb. It became one of the founding faculties of the newly established University of West Bohemia in Pilsen. The Faculty is interested in developing relationships with other universities, and even more with companies and institutions in the regions. Currently there are about 2000 students studying at the Faculty of Economics. Head of the faculty is doc. Dr. Ing. Miroslav Plevný. Graduates of the faculty can apply in marketing, management, logistics, accounting and other business related sectors.

## **Marquette University**

Marquette University is a private, Jesuit university located in Milwaukee, Wisconsin. Marquette offers a variety of well-respected undergraduate and graduate programs. As a Jesuit institution, Marquette focuses on excellence, faith, leadership, and service. The university is one of many in the Midwest region, therefore Marquette needs to brand themselves to potential students in creative ways.

Picture 4: Logo of MU



Source: Marquette University Website, 2017

**General Information:**

- President of University: Michael Lovell
- Private, Jesuit Institution
- Located in Milwaukee, Wisconsin
- Over 12,000 combined undergraduates and graduates
- Division 1 athletics
- Marquette has seven colleges that include a variety of majors and minors

Picture 5: Campus of MU



Source: Marquette University Website, 2017

## **History:**

Marquette University was originally founded under the name Marquette College over 130 years ago in 1881. In 1907, Marquette College became Marquette University and moved to Johnston Hall, which is now home to the College of Communication.

In the following years, Marquette opened a college of engineering and bought two law schools, which laid the foundation for its current law program. Additionally, Marquette opened the school of economics in 1910, which is now known as the college of business administration. The school continued to add different areas of studies and grew throughout the years.

Furthermore, Father Wild became Marquette's president in 1996 and quickly started focusing on beautifying its campus through a fundraising campaign. He executed his plan by adding the school of dentistry, a library, new athletics facilities, as well as new residence halls. This project greatly helped Marquette's campus appeal and led to an increase in Enrollment. Under Wild's tenure, Marquette continued to grow and reestablished their basketball dominance by making the final four 2003 and elite eight in 2013.

Nonetheless, our current President, Michael Lovell, has continued to keep Marquette's academics and athletics on a positive path.

## **Marquette's Brand:**

Marquette University uses a variety of branding strategies to increase the value of their brand and educational experience. The university has built their brand for over a century to compete with other private institutions across the United States. Marquette represents ideals based on academic excellence, social responsibility, sustainability, a culture of inclusion, service, as well as athletics to build a reputable brand among college institutions in the United States. Additionally, Marquette has surrounded their brand with an identifiable mascot known as the Marquette Golden Eagle. The Golden Eagle is naturally associated with Marquette and can be seen on apparel, marketing campaigns, and at athletic events.

# Theoretical framework

## What is brand?

There are many misconceptions surrounding the term brand. First of all, people often confuse an organization's brand with a logo. Although the term logo is short for logotype and considered design-speak for a trademark. The term logo is important and should evoke strong feelings, but it is just the starting point for a recognizable and successful brand.

Second, people tend to construe brand as a corporate identity or as a product or service. However, neither of these conceptions of brand is correct. A Brand is much less tangible, and is considered an invisible layer of meaning that surrounds the product or service (Marty Neumeier, 2000).

According to Marty Neumeier - Brand Gap, a brand is a person's feeling about a product, service, or company and it is defined by people. Moreover, each person creates his or her own version of a particular brand. While companies cannot control this process, they try to influence it by communicating the unique qualities that differentiate one specific product or service from the others. In other words, a brand is an approximate, yet distinct, understanding of a product, service, or company. To compare a brand with its competitors, it is essential to know what makes it different.

Another definition explains brand as being the perception a consumer has when he or she hears or thinks of the company name, service or product. That being said the word "brand" is a moving target and evolves with the behavior of consumers. We can think of the word "brand" as the mental picture of what a company represents to consumers that is influenced by the elements, words, and creativity that surround it.

## **Brand purpose**

Nowadays the world is overwhelmed by thousands of product choices and brands have become connected to our lives. Therefore, the need for a strong brand is now more important than ever, since the established brands provide remarkable competitive and strategic advantage to the company. From a marketing perspective, it is both the tangible and intangible ingredients that enable companies to grow fast and gain market share against competition. Furthermore, brand can be an extremely important component of a company's value (Hasanali, 2005).

A powerful brand can be defined as any product, service, or company for which people believe there is no substitute. Not surprisingly, these brands often claim the dominant position in their sectors, with market shares over 50%. A good brand also allows a company to introduce new products with little money.

Thus, brands are created to foster long term relationships between the company and its customers.

## **What is branding?**

Branding is an essential part of a company's long-term marketing strategy. It is the process of creating, promoting and preserving the name and status of a product to increase the brand awareness, brand loyalty and customer sales (Healy, 2008).

Consistent, strategic branding leads to a strong brand equity, which means the added value brought to products or services that allows a company to charge more for its brand than what other unbranded products command. The stronger people feel about a brand, the stronger brand equity. Also an important part of branding is having brand integrity which represents the expectations of customers towards a brand. Without a consistent appearance, a brand's ability to build loyalty is diminished.

Companies relentlessly pursue branding goals to make an organization stand out in a crowded marketplace and to gain long-term competitive advantages. Branding is both a marketing and financial concept.

To succeed in branding, a company must understand the needs and wants of its customers and prospects. This is achieved by integrating the brand strategy through the company at every point of public contact, which includes the visual elements (logo, printed materials, website etc.), customer experience, product/service, company actions, and the employees.

Another crucial aspect of successful branding is understanding the brand itself. This process begins with top management who create and control the brand. Then it flows down the organizational hierarchy and it should be well-understood by the sales representatives who actually represent the brand to the companies' customers.

Apart from that, companies must define the brand, i.e. create a brand promise. A brand promise should have an impact on the minds of its customers, it should be memorable and desirable, and it should evoke thoughts because thoughts drive actions. A brand promise should serve as a differentiation point evaluating needs of the target audience.

After a brand promise is created, companies need to fulfill it via high quality products and brand positioning. There should not be any misinterpretations by the target market.

The most important aspect of branding is sustaining a brand promise. This is the most difficult part because companies must keep innovating to provide superior value of a product and each innovation must be aligned with the initial brand promise.

## **Major branding tasks**

Major branding tasks include the following (Hasanali, 2005):

- 1) Defining the overall identity, attributes, and qualities to be associated with the brand and creating a message platform that can support subsidiary brands and products;
- 2) Determining how brand identity elements (logo, tag line, palette, icons, etc.) may be used by various entities, such as business units, external partners, customers;
- 3) Leading or guiding the development of branding-communication activities;
- 4) Leading or guiding naming policies for new products, e-brands, acquisition, mergers;
- 5) Interacting with the legal department or outside counsel on matters of trademark protection, and clearance of new names;
- 6) Developing and overseeing brand value proposition or promise, as well as supporting guidelines;
- 7) Providing guidelines, expertise, and resources to other corporate staff or business unit personnel who execute communication tactics or activities;
- 8) Working with business units to manage and enhance brand value.

## **Brand extensions**

Brand extension is a part of branding in which the company tends to diversify in a new product category with the same brand name. Corporate product brands and leverage product equities

across the organization have to be balanced. It helps companies decide which level of branding will receive the greatest emphasis and define how various brands within an organization will relate to each other. It is also seen as a means of creating integrated brand architecture.

Companies, either in commercial or industrial markets, must recognize the critical link to be maintained between its branding strategy and overall business strategies.

Companies should create a structure that is the most appropriate for their business, circumstances, and culture. They should sustain that structure with a well-articulated brand strategy policy and organizational support system that guides and directs branding activities, while supporting the brand structure, regardless of its shape and dimensions.

There are three brand structures classified: a single, dominant brand; multiple brands tied closely under a dominant corporate umbrella; and multiple brands maintaining separate and distinct identities.

A common stumbling block for many companies is to distinguish between a brand and a product. Many organizations tend to consider every product as a brand or as having the potential to become a brand. They often attempt to give each new product or service its own unique, catchy name and remarkable visual identity, without taking into account its positions in the overall corporate portfolio (Hasanali, 2005).

## **Branding for higher education**

As university enrollment is growing rapidly and universities find the need to appeal on a diverse student base, successful branding and marketing have become increasingly important activities for institutions to differentiate themselves from competitor institutions. In fact, when it comes to student attraction, a university with a well-respected brand has an enormous advantage.

In this rapidly changing market place, university branding is about much more than logos and catchy slogans. Universities have to emphasize their academic integrity, future employability,

value of student experience etc. Moreover, the perception of a university brand can be influenced by its place, history, popularity of its founders and leaders, importance of its research activities, and (mainly in the United States) the performance of its football team (Healy, 2008).

### **Target groups:**

Universities have several groups to consider: current and potential students; faculties; employees; graduates; and the public, whose opinion is able to influence a variety of issues, such as respect towards professors and their publications, access to the governmental funds, and popularity of university sport teams (Healy, 2008).

The current academics and students should ideally identify with their university brand and support it. If alumni believe they can benefit from retaining contact with the university community, they are more likely to become ambassadors.

To attract potential students and their families, universities need to embrace new communication channels that are familiar to this demographic but also interactive. For example, an interactive virtual campus tour would be considered beneficial. Ideally, the emphasis is on describing the university's experience rather than simply communicating its brand message.

### **Key points:**

The key points of university branding, according to The Guardian, are: focusing on the core values (academic integrity, business-friendly courses with employability appeal, positive student experience); targeting parents as well as students; involving academics as much as possible; highlighting student testimony in university marketing materials; and making the most of social media's influence and reach. In a world of growing online media, any peer-to-peer communication and recommendation has an increasing impact.

### **Trends:**

As indicated above, institutions currently pay more attention to branding and marketing than they did before. Many have hired marketing professionals and invested significant time and money to create strong university brands. Research also identifies that universities, unsurprisingly, have

focused recently on the use of online space. In particular universities have focused on responsible web design, search engine optimization, use of web analytics, social media, and CMS and CRM systems.

Beyond the changes brought by technology, marketing and branding trends have shown a progressive reliance on more creative outreach efforts, as well as on design and advertising campaigns. Mostly they attempt to appeal to students that may be interested in higher education. Examples include: publishing photos and videos to share campus events, making creative advertising videos, or upgrading facilities to attract students.

More traditional marketing and branding strategies, such as open house events, are still extremely popular among universities.

## **American vs. Czech market of higher education**

### **Funding:**

There are broadly two approaches for how to finance the sector of higher education. One is based on the state funding and provision, which is typical for the continent of Europe (including the Czech Republic) and in which most institutions have equal resources and status. The second is more of a market-based model, of mixed private-public funding and provision with highly differentiated universities, which is typical for the United States of America.

Without doubts, university branding is extremely important especially in those countries, where the American market-based model is used and students and their families have to pay high tuition fees. They are even cannier in researching value for money, indeed.

### **Current situation:**

In the Czech Republic, there is a dominance of public universities, which have been free of charge and totally funded by the government for the past seven years. This model can also be found in Denmark and Finland, but in general, students in Europe have to pay at least a few hundred euros per year. Another option is a private university, but they are not as highly

regarded as public ones. Also private university students have to pay tuition fees. The oldest university in the Czech Republic is the Charles University in Prague, and the total number of public universities is lower than 30.

The United States has a higher education system that contains a mix of public and private universities. Public universities were founded by state governments and currently offer more affordable rates for in-state students. Meanwhile, private universities are not government funded and rely on donations, as well as higher tuition rates to fund operations. There are currently more private universities in the United States, but public universities have a larger enrollment because of the size difference, degree options, and affordability factors. For example, private colleges tend to have several thousand students, while public universities tend to be much larger with some having over 40,000 students. Additionally, public universities offer a wide variety of degrees, while private institutions tend to have more limited options. Today, students choose a particular university based on type of educational institution, rank of academics, location preference, cost, prestige of sports teams, etcetera. As of right now, there are both public and private universities that are well-respected within the United States.

## **Methodology**

In order to compare the branding strategy of the University of West Bohemia to Marquette University, we decided to analyze the respected web pages, social media pages, and testimonials concerning branding activities of both universities. Taking into account the contrast between the Czech approach towards higher education and the American one, we are convinced that the outcome could reveal many significant differences and provide a number of recommendations for more effective branding strategies.

Apart from that, we have created a research method both in Pilsen and Milwaukee, using two distinct online questionnaires. First one consists of 20 questions and examines the students' perception of their university brand; the second one consists of 18 questions and examines the same but in the eyes of the public. The main purpose of this research is to compare whether there are fundamental differences in the perception of the universities' brands, or not. To get a

valuable outcome we set the minimum number of respondents at 2% out of the total number of students at each university and at least 150 respondents from the public in each city. When creating the first questionnaire, we considered criteria such as value of student experience, future employability, academic integrity, as well as visual style, mentioned already in the theoretical part.

## Visual Style

### University of West Bohemia:

The University of West Bohemia is particular about its united visual style. The fundamental building block is a logo. The manual issued by the university determines the logo as a letter U inscribed into an equilateral triangle, which represents the necessity to be heading forward and to move forward. It should also make an impression of a young and prospective university.

The three basic colors are defined as blue, grey and white, while to each faculty belongs its own unique color that identifies it clearly. For instance, the Faculty of Economics is identified by orange, the Faculty of Education by green, and the Faculty of Art and Design by red. The design of the logo is strictly defined and cannot be adjusted. Also its size on the printed materials and identification cards is specified.

Picture 6: Logo of UWB



Source: UWB, 2017

Picture 7: Logo of Faculty of economics



Source: Faculty of Economics, 2017

## Marquette Univeristy:

Marquette University has a good visual style that is positive for its brand. The university's utilizes the Marquette logo with a tagline mostly on promotional materials to increase brand awareness. Marquette's logo has the words "MARQUETTE UNIVERSITY" with a picture of the Marquette Hall tower sitting above the letters. On promotional materials, Marquette adds its tagline "BE THE DIFFERENCE" underneath the words "MARQUETTE UNIVERSITY." Marquette's tagline represents the standards that it expects from its students. The tagline helps give the university's brand more recognition.

Marquette uses blue and gold along with a white background in all of its brand architecture components. The university's brand architecture is the fixture for its branding and visual style. Its brand architecture includes the official logos, tagline, logos for each college, sub-brands, as well as the school's seal.

All of Marquette's visual styles are easily recognized because they use the colors blue and gold, and they use either the name or initials of Marquette University

Picture 8,9,10: Logos of MU



Source: MU, 2017

## **Traditional media**

### **University of West Bohemia**

University of West Bohemia uses promotion in traditional media mostly to attract potential students, to build renown and to inform public about success achieved by University workers and students.

#### **Radio:**

University of West Bohemia has each year radio commercial which promotes whole University to students and invites them to visit the University. Many faculties also have their own commercial which brings students more information about the faculty and it's courses of study. Students of University of West Bohemia also started their own radio broadcast called Radio Wéčko, on which they have their own shows mainly for students and potential students.

#### **Television:**

University of West Bohemia is promoting itself in Television mostly on regional level, by using commercial at regional TV ZAK. Also some faculties, for example faculty of economics, had their commercial at television broadcast in 2017. In television University promoted itself by its promo video created on 2016 and also by sending its employees in to some talk shows.

#### **Newspapers:**

In newspapers is University of West Bohemia presented each year in special edition focused on Universities and admissions in to them. There are also articles about success achieved by students and University workers in research and development. For example, last year the University developed a new suit for firemen with revolutionary search system, which helps to find firemen even if the GPS signal is blocked.

### **Professional publications:**

University of West Bohemia is publishing several professional publications each year. Authors are mostly employees of University who publishes results of their research. University of West Bohemia also requires from its students to keep requisites of professional publications in their dissertation like logo of the University, bibliography and other. On University of West Bohemia was also published many textbooks for college students.

## **Marquette University**

Marquette primarily utilizes traditional media outlets to share achievements, publicize events, students, as well as for research publications. The university focuses on building its brand image via traditional media outlets to attract prospective students, as well as to get current students and alumni motivated to stay involved with the university post-graduation.

### **Radio:**

Marquette University is not big in advertising the school itself on the radio, instead Marquette uses radio to expose their athletics. This gives Marquette brand exposure to the public because people will associate their athletic teams with the college. Additionally, Marquette has student run radio programs aired on “Marquette Radio” for students on campus and Marquette alumni.

### **Television:**

Marquette University does not promote its brand directly via television. The college promotes its brands the same way as the radio with having their athletic teams publicized to gain exposure for Marquette’s brand. Marquette also has a television network that is ran by students called “MUTV.” The television network displays Marquette sporting events, interviews with faculty, as well as focuses on reaching the Marquette community rather than the whole community.

### **Newspapers:**

Marquette University has a strong presence in newspapers on campus and in the Milwaukee area. For instance, Marquette has the “Marquette Tribune” and the “Marquette Journal.” The “Marquette Tribune” is published weekly and the “Marquette Journal” is published around four

times per year. Both of these media outlets are run by students; they primarily have articles on Marquette related achievements, Marquette events, articles on Marquette organizations and athletics, as well as sections written by students and faculty. Furthermore, Marquette gets recognition in the “Milwaukee Journal Sentinel” on occasion for achievements of their students and faculty. The “Milwaukee Journal Sentinel” is a great media outlet for Marquette to expose because this newspaper reaches the entire Milwaukee community and can be viewed online. Moreover, Marquette will benefit as its brand is exposed in the positive light within a well-recognized news source in the Milwaukee Area.

### **Professional Publications:**

Marquette University requires their professors and faculty to conduct research for publications throughout their employment at the University. In fact, Marquette’s business school has a percentage allocation basis for time that should be spent on research, time that should be spent on teaching, and time that should be spent on service. The research done for reports and publications can consist of a wide variety of subject matters across all studies at Marquette. For example, during my Fall 2016 semester, my financial statement analysis teacher had our class take a survey to help with his research on whistleblowers within companies and the laws to protect them. Overall, Marquette has many credible publications that came from students, alumni, and faculty.

## **Web Pages and Social Media Analysis**

This chapter is focused on analysis of web pages and selected social media accounts of selected Universities. Pages and profiles of Universities will be at first commented and then compared by evaluation matrix especially created for this project. Criteria of the matrix for web pages are design, content, position in online search engines and more. Each criterion will be awarded with points from 1 to 5 (5 is the best). Social media matrix will be focused on activities on selected accounts, feedback and more. Value scoring of matrix can use decimals. From social media was selected Facebook, Twitter and YouTube, because they are used by both Universities. **Please refer to exhibits A,B,C,D to view our evaluation matrix that compares the web page and social media analysis of both schools.**

The comparison shows that in presentation on web pages and in social media is better Marquette University, University of West Bohemia needs to improve mostly in presentation on Twitter and Youtube.

## **University of West Bohemia**

### **Web pages:**

The front page of the University of West Bohemia web pages is advertising for upcoming events on UWB, allows visitors to read some current articles about what is going on at the University. After opening each tab on the website, visitor can find information for students, Applicants, Alumni, Media and Public or more about each of faculties.

Web pages of University of West Bohemia provides sever options to contact UWB. They are offering to contact University of West Bohemia by phone, mail or email. Web pages of University of West Bohemia are available in Czech and English.

## **Social Media Platforms**

### **Facebook:**

Facebook Pages of University of West Bohemia had 4728 likes on April 11,2017, and 4.3 stars from reviews. Pages contains basic information about University of West Bohemia, like a brief introduction of University, contact information, and link to UWB web pages. Shared posts on timeline are mainly about upcoming events on University. University of West Bohemia shares an average of 8 posts per week, which reaches from 10 to 100 likes.

### **Twitter:**

Twitter account of University of West Bohemia 28 followers on 11 April 2017. UWB shares an average of 2 tweets per week, which are mostly about events on University, history of University of West Bohemia and its students.

### **YouTube:**

YouTube channel of Marquette University had 13 subscribers on 11 April 2017, and shared 7 videos with 1 748 views. Shared videos are mostly about events on University and achievements of its students and employees.

## **Marquette University**

### **Web pages:**

The front page of the Marquette University web pages is advertising for studies on MU, providing contact information and allows visitors to read some current articles about events at the university. After opening each tab on the website, visitor can find information about admissions, academics, athletics and more.

Web pages of Marquette University provides several options to contact MU. They are advertising to visit Marquette, then offers visitors to contact Marquette by phone, mail or email. Web pages of Marquette University are available only in English.

## **Social media Platforms**

### **Facebook:**

Facebook Pages of Marquette University had 49 780 likes on 11 April 2017. Pages contains basic information about Marquette, like a brief introduction of University, contact information, and link to Marquette web pages. Shared posts on timeline are mainly about history of University and upcoming sport or social events. Marquette shares an average of 5 posts per week, which reaches about 1000 likes each.

### **Twitter:**

Twitter account of Marquette University had 43 513 followers on 11 April 2017. Marquette shares an average of 10 tweets per week, which are mostly about events on University, history of Marquette, charity, students and sports. Marquette University also retweets from pages like Marquette football, Marquette basketball or from its employees.

## **YouTube:**

YouTube channel of Marquette University had 1465 subscribers on April 11, 2017, and shared 591 videos with 1696038 views. Shared videos are mostly about students and their experience, like studying abroad, or about Marquette, its history, upcoming events. There are also videos which purpose is to attract new students.

## **Spirit shops**

The following part is focused on the university spirit shops which offer various products with the logo of the particular university. These product are meant for fans, students, and alumni.

## **University of West Bohemia**

The University of West Bohemia features pretty wide selection of apparel and gifts with its own logo. T-shirts, shirts, notepads, boards etc., all rendered in blue and white - the main colors of the University.

Unfortunately, these products are not widely promoted and there is no separated spirit shop in the campus. Therefore their popularity among students is very low and the university textbooks store is the only place on the campus where these products can be bought. Another way is through the university e-shop (<https://e-shop.zcu.cz/propagacni-materialy.html>) where all the products are offered as well.

Picture 11: Spirit shop of UWB A



Source: UWB, 2017

Picture 12: Spirit shop of UWB B



Source: UWB, 2017

## Marquette University

Marquette University has a full store dedicated to spirit wear items with Marquette's logo. The items offered range from t-shirts, key chains, glasses, hats, and etcetera. This is an important marketing technique that United States colleges use to increase their brand awareness.

Contrary to the University of West Bohemia; Marquette spirit shop is popular for potential students, current students, as well as alumni. Students and alumni often sport Marquette wear to show off their pride they have for the school.

Picture 13: Logo of MU spirit shop



Source: MU, 2017

Picture 14: MU spirit shop



Source: MU, 2017

## Student Survey

A key step in the questionnaire research is to generate an university brand image of both universities. It is taking into account two groups of people - university students and public, thus two distinct questionnaires were created. The final outcome should be comprehensive, yet short and easy to understand and provide a complex picture of both university brands.

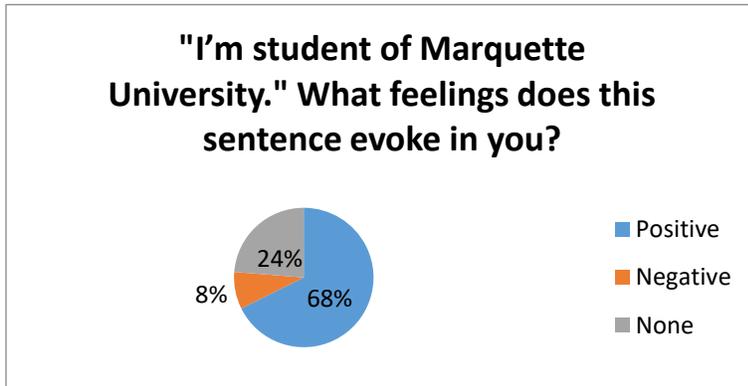
### **Questionnaire**

**n.1:**

*Data analysis - University of West Bohemia*

First questionnaire was focused on the current university students. In total, 188 questionnaires were obtained among students of the University of West Bohemia; 107 respondents were men, whereas the remaining 81 respondents were women. The respondents exhibited a good mix in terms of their level of studies and field of study (all nine faculties were represented). According to the survey, the University of West Bohemia brand represents primarily the following: university, education, Pilsen, university campus, student life, friends, parties, Erasmus, but also the recent scandal related to the Faculty of Law and a frequent mess. Despite some negative associations, the fact of being a student of the University of West Bohemia evokes mainly positive feelings among them. 24% of respondents does not have any emotional relation, though (Chart 1).

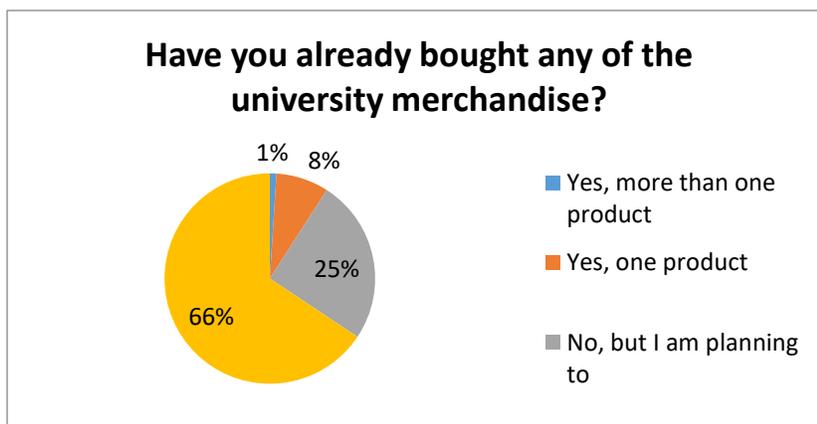
Picture 15: Chart 1



Source: Own processing, 2017

Interesting finding out is that nearly 24% of students never associate their names with the University, when talking about introducing themselves or their personal presentation on the social media profiles. Less than 14% do it at every possible occasion, whereas the remaining 62% associate their names with the University just from time to time. It probably results in the low students' interest in the university merchandise. The survey shows that even though the majority of students is aware of the existence of this merchandise, just a small number of them have already bought something, or is interested in it (Chart 2).

Picture 16: Chart 2



Source: Own processing, 2017

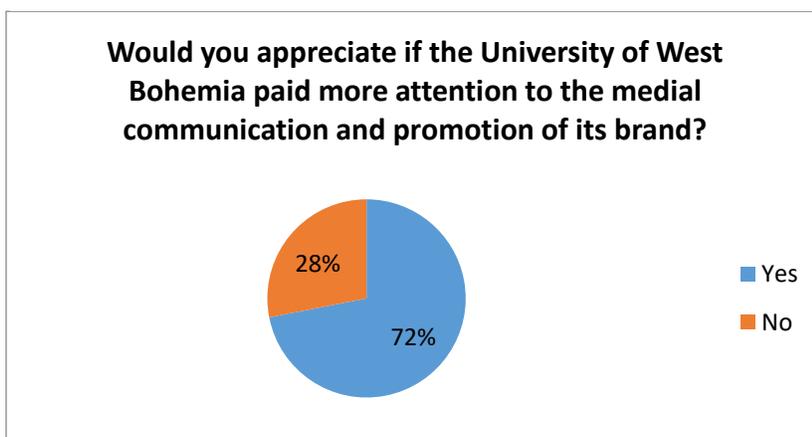
According to the sense of belonging, students do not totally identify themselves with the university, but there is a pretty high number of students who identify themselves at least partially. Only 8,5% of students do not identify themselves at all.

In general, students find the atmosphere at the University premises pretty pleasant and they like spending their free time there. However, in this matter there is a significant difference between students whose faculty is situated in the city center and whose is at the university campus. Respondents studying at the university campus have more positive attitude towards the atmosphere and spending their free time at the University.

It emerged that, from the students' point of view, the strongest points of the West Bohemian University were wide range of fields of study, wide range of internships abroad (Erasmus, FreeMovers etc.), and highly qualified professors. On the other side, the lack of progressive study methods, almost no interconnection with praxis and a low number of attractive student projects were perceived as the biggest deficiency. It also occurred, that

students in most cases were aware of the visual presentation of the University and agreed with it, but they would have appreciated more intensive overall medial communication and promotion of the University brand (Chart 3).

Picture 17: Chart 3

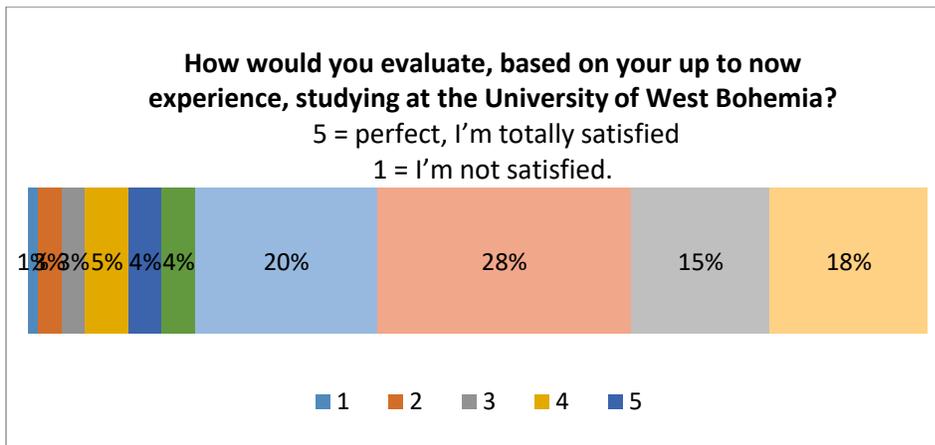


Source: Own processing, 2017

Another interesting discovery is that, according to the students, the excellence of particular faculties greatly differs. Over 75% of respondents stated that the title from the University of West Bohemia can be highly regarded in the eyes of the potential employers but just from some faculties, definitely not from all of them. We can just guess whether it is directly linked to the scandal with the fraudulent titles at the Faculty of Law just a few years ago, or the long tradition of the technical faculties (Faculty of Engineering, Faculty of Electrical Engineering, etc.).

How students evaluate their up to now experience at the University can be seen in the following chart (Chart 4). According to the prevailing evaluation (four points out of five) we can conclude that students are in large measure satisfied with the studying at the University of West Bohemia.

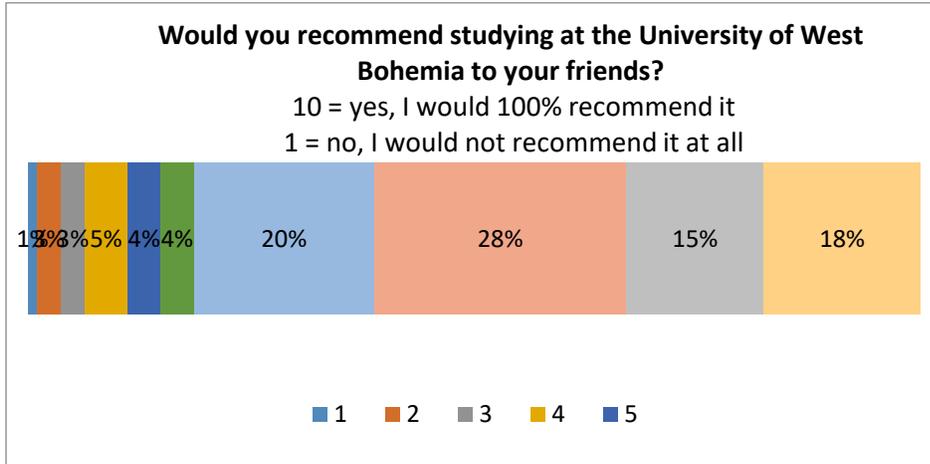
Picture 18: Chart 4



Source: Own processing, 2017

The students' overall satisfaction was reflected also in the responses to the last question - whether they would recommend studying at the University of West Bohemia. As it is obvious from the following chart (Chart 5), over 80% of students have chosen, on the scale from one to ten, option seven or higher. It points out that however there is a lot of space for improvement, the brand of the University of West Bohemia is in the eyes of its current students is rather highly regarded.

Picture 19: Chart 5



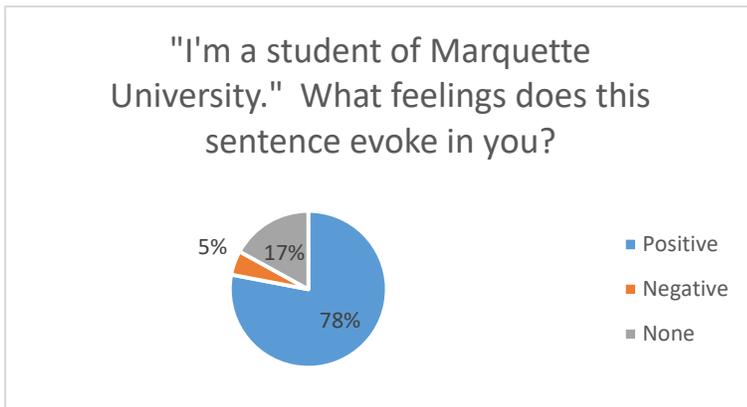
Source: Own processing, 2017

## Data Analysis – Marquette University

Overall, 184 Marquette students responded to the survey. The respondents consisted of both male and female from a variety of studies at Marquette University. After analyzing the survey results, the Marquette Brand represents the following: academics, Milwaukee, friends, community, and sports.

Our first question focuses on the feelings evoked in a person by the phrase “I’m student of Marquette University.”

Picture 20: Chart 6



Source: Own processing, 2017

Out of the Marquette students surveyed, 78 percent had positive thoughts about their college selection. Many people thought that being a student at Marquette made them feel intelligent, as well as respectable. We did find it interesting that 17 percent of Marquette students felt like there was no emotional connection between being a student at Marquette and themselves. Additionally, it was positive for Marquette that only 5 percent of students feel negative feelings towards the university.

Next, we focused gauging the Marquette student's interests in the school's merchandise:

Picture 21: Chart 7



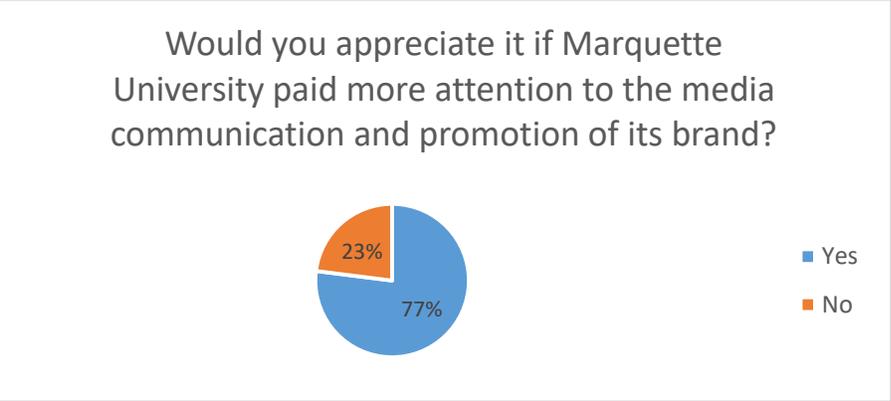
Source: Own processing, 2017

Not surprisingly, every Marquette student surveyed had at least one product with 91 percent of respondents claiming to have multiple Marquette products. This is typical for colleges in the United States. This is because most colleges in the United States give out t-shirts to incoming and prospective students. Also all colleges have some type of spirit wear store for students.

Furthermore, when comparing charts one and two; we see that having more than one Marquette product correlates strongly with the way people feel towards being a student at Marquette.

As we looked to gain more detail, we focused on the appreciation that people have for Marquette’s medial communication and brand promotion.

Picture 22: Chart 8



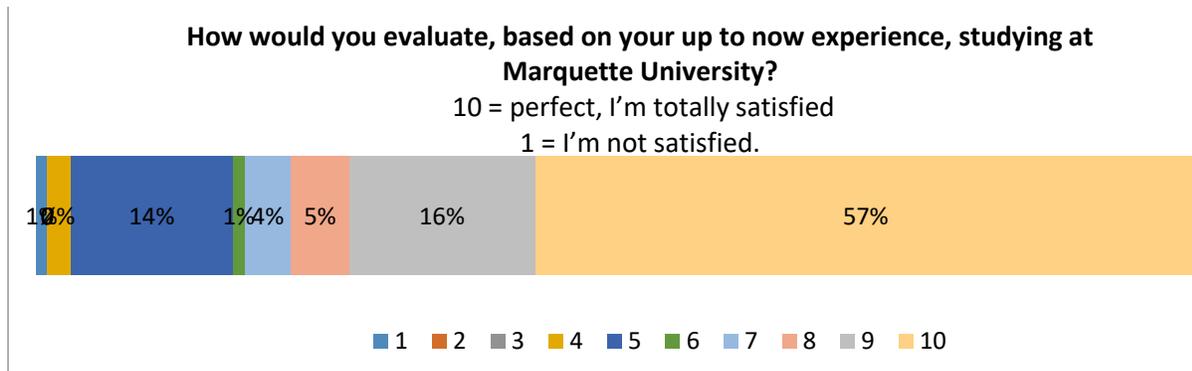
Source: Own processing, 2017

According to 79 percent of Marquette students, the university is viewed positive in the Milwaukee area and around the Midwest. Many students believed that Marquette was the favorite school amongst recruiters for Milwaukee based companies, as well as companies with operations in Milwaukee.

Additionally, 77 percent of Marquette students surveyed want the school to pay more attention to its brand image. Although students believe Marquette is viewed positively by the public, it is important to increase brand awareness. This is because better brand awareness can lead to an increase in enrollment.

Our next question focuses on the evaluation of Marquette students' experiences so far in their college career.

Picture 23: Chart 9

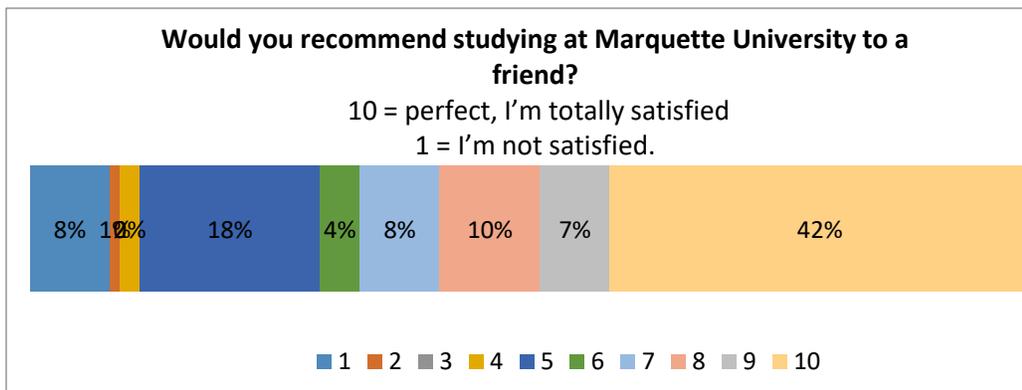


Source: Own processing, 2017

According to our survey, the students at Marquette are satisfied with their experience so far. Also it is positive that only 3 percent of students gave a ranking of less than five. Although there is always room for improvement and Marquette needs to strive to satisfy as many of its students as possible.

Lastly, we decided to analyze whether Marquette students would recommend studying at Marquette to a friend.

Picture 24: Chart 10



Source: Own processing, 2017

The result of this question was surprising because although many students have enjoyed their experience thus far; the percentages for recommending Marquette University to a friend dipped. We think that the slight drop in percentages for this question is due to the highly competitive college market in the United States. This shows why it is important for Marquette to constantly strive to satisfy its students. Marquette can increase its brand image and enrollment through focusing on satisfying students so that its students recommend the university to potential students.

## **Public Questionnaire results**

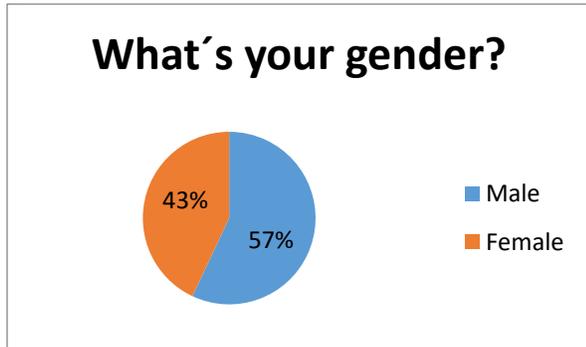
This questionnaire was focus on geting data about how public sees Universities, what branding techniques Universities should and what aspects about them public considers as important.

## **University of West Bohemia**

### **Demographic Information:**

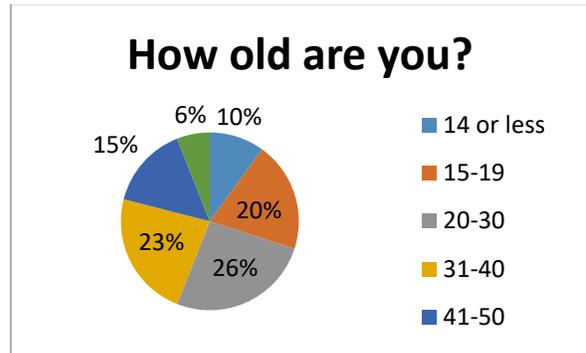
First questions was focused on categorization of interviewed. As you can see on the following diagrams, the biggest part of interviewed was between 15 and 40 years, there were only small differnce in gender results. From interviews autors also found out that about 68% of respondents parents never attended University, only 12% of respondents reported that both parents got a degree.

Picture 25: Chart 11



Source: Own processing, 2017

Picture 26: Chart 12

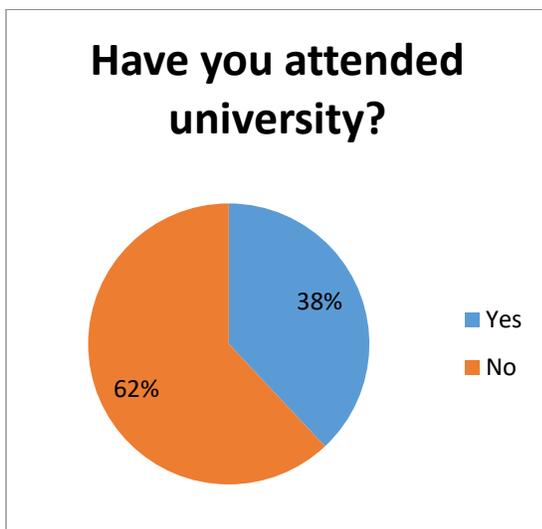


Source: Own processing, 2017

**People's Preferences:**

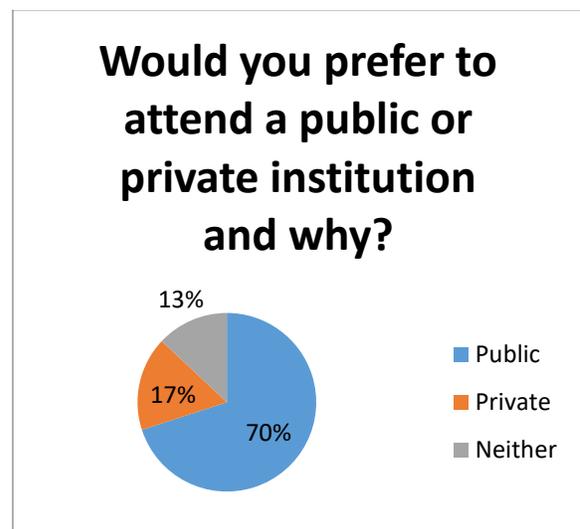
Next questions purpose was to determine if respondents were attending University which type of University they would prefer. Bigger part of the respondents never attended University. Most of the respondents would prefer public Universities, only 17 percent would choose private one. Most of the respondents explained, that they would choose public school because its free, people who answered that they would prefer public school because its easier to get a degree.

Picture 27: Chart 13



Source: Own processing

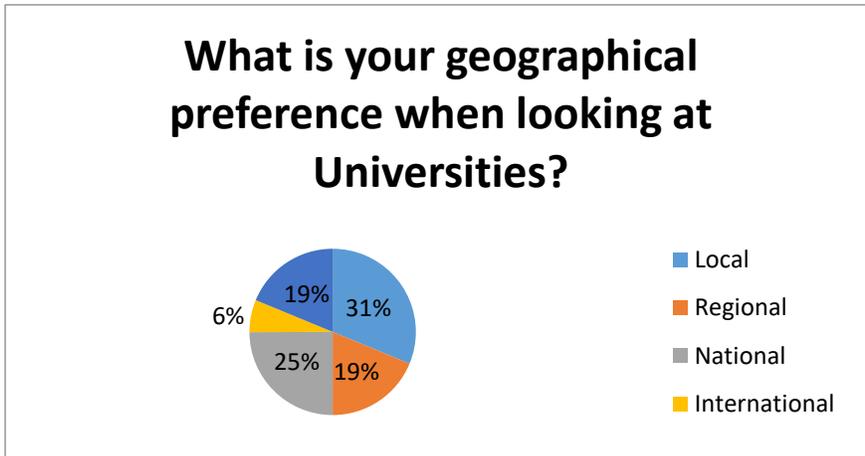
Picture 28: Chart 14



Source: Own processing

Biggest part of respondents answered on the question about geographical preferences that they would prefer local University, only 6% of them would like to study abroad. About 19% answered that location of University isn't important for them.

Picture 29: Chart 15

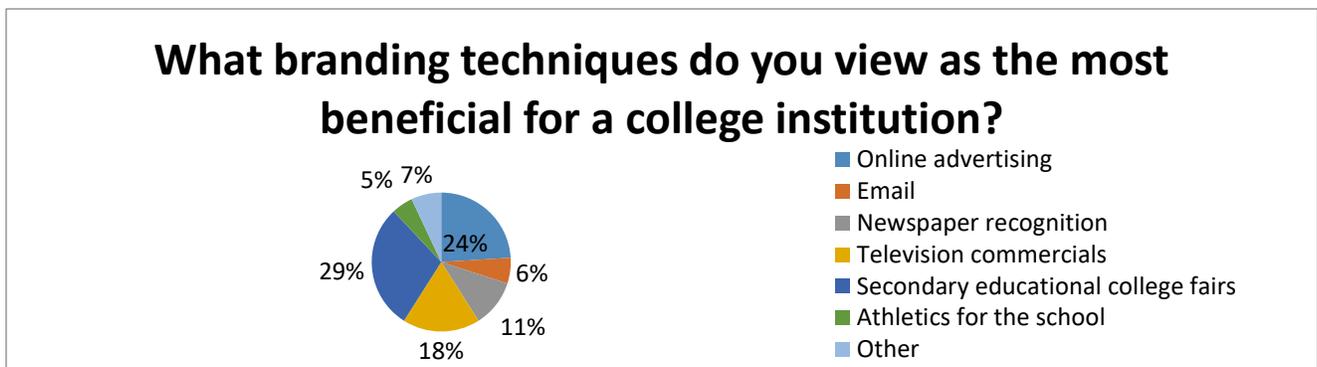


Source: Own processing, 2017

**Thoughts on Branding:**

In Czech Republic is from public view most beneficial branding technique for Universities online advertising and television commercials, on the other hand the email ads or Athletics assume almost no one.

Picture 30: Chart 16

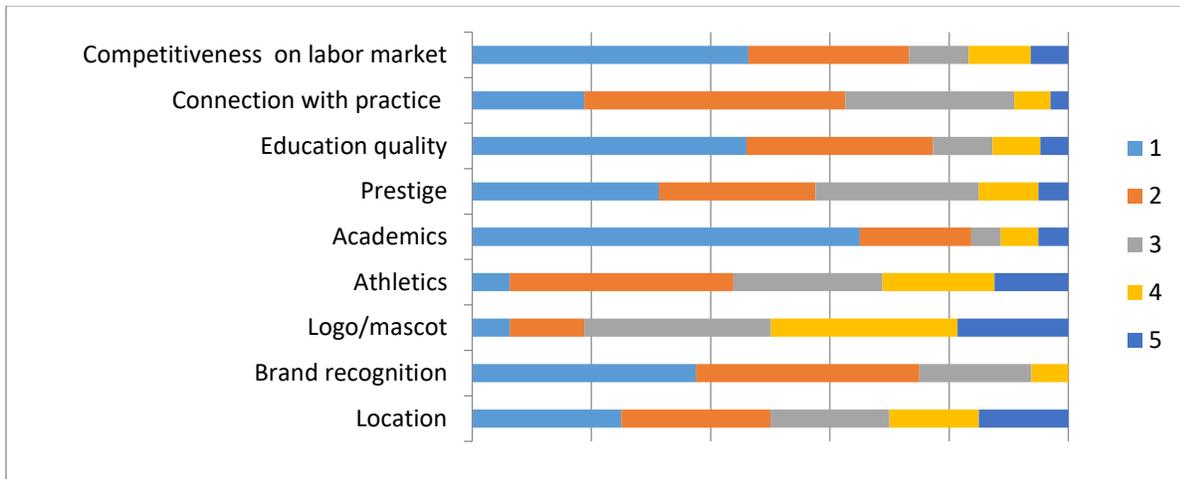


Source: Own processing, 2017

**Public Requirements from University of West Bohemia:**

Next diagram shows how respondents rated different properties and features based on their expectations from college on scale from on the scale from 1 (very important) to 5 (not important at all). Most important are for people from Czech Republic academics and competitiveness on labor market. From interviews autors also found out that that more than half of respondents would be willing to pay for higher education, but only about 15 % of them would pay more than \$5,000 USD.

Picture 31: Chart 17



Source: Own processing, 2017

**Additional Results from Questionnaire Section:**

On the question which Czech Univeresity first comes to your mind of the respondents first answered more than half of the respondents that Charles University in Prague, mostly because of that its oldest, biggest and most famous University in Czech Republic.

More than half of the respondents also answered that they considered graduating on University of West Bohemia, on the scale from 1(Great) to 5(Terrible) they evaluate an average mark 2.7.

On the question if they think that University of West Bohemia has a weak or strong appeal to the public's eyes, most of the respondents answered that weak, because of scandal with degrees from Faculty of law.

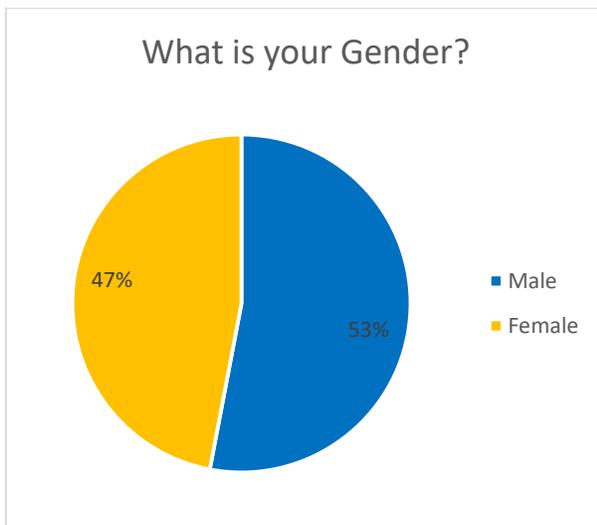
Respondents would recommend to University of West Bohemia to improve online propagation, presentation in social media and to focus on building brand of University of West Bohemia to improve its public reputation.

## Marquette University

### Demographic Information:

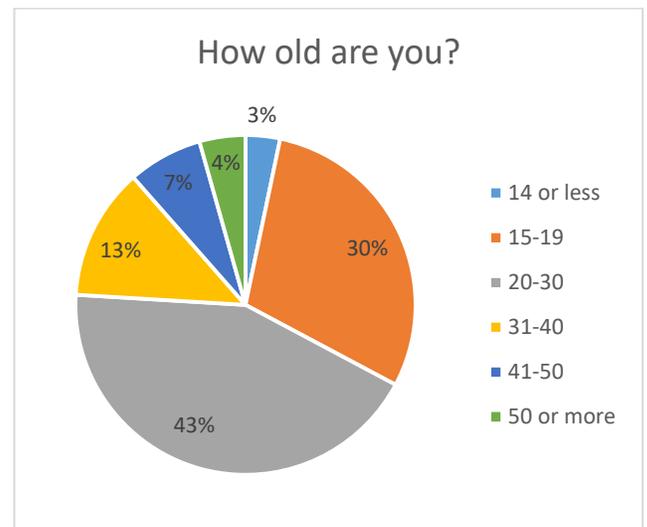
When we categorized the general community that was interviewed we had slightly more males than females. The majority of respondents were between the ages of 15 and 30 years old. Out of the people that responded 18 percent of their parents did not complete college. Additionally, 32 percent of respondents reported that both of their parents received college degrees.

Picture 32: Chart 18



Source: Own processing, 2017

Picture 33: Chart 19



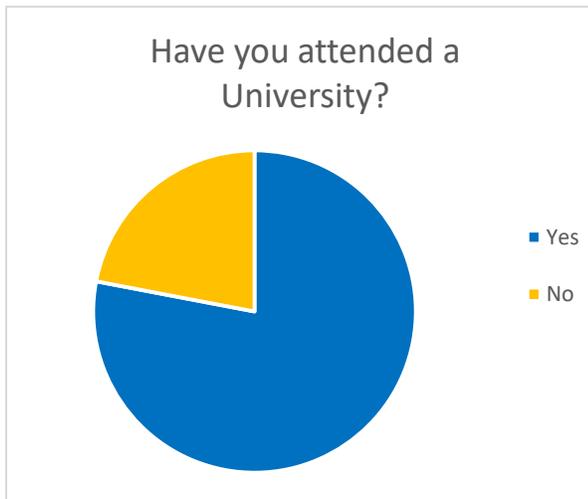
Source: Own processing, 2017

### People's Preferences:

Next, we asked survey questions to help us figure out if interviewees attended a University and if they had a preference to the type of institution they attended. We have found that in

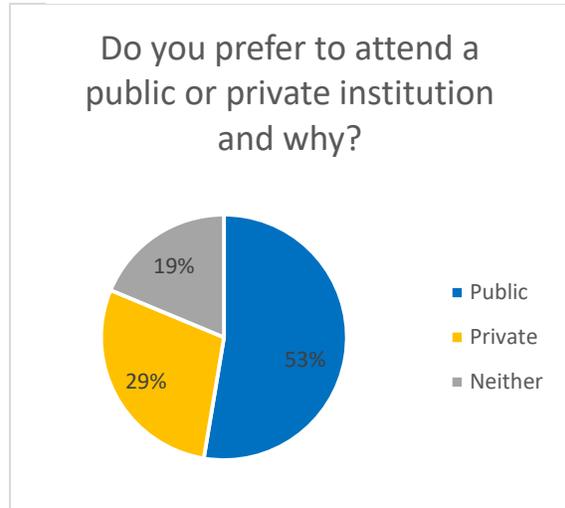
Milwaukee, the majority of the people we interviewed have attended a University and the majority preferred a public institution or had no preference. In an area like Milwaukee, it makes sense for people to prefer public institution over a private institution. This is because public university's in Wisconsin are cheaper than private and offer comparable academics.

Picture 34: Chart 20



Source: Own processing, 2017

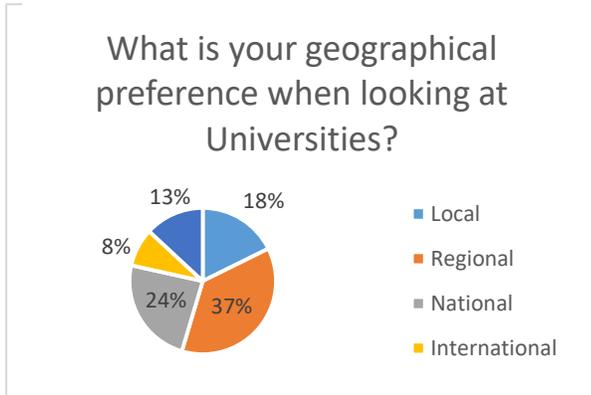
Picture 35: Chart 21



Source: Own processing, 2017

Our next question was formed to gauge people's preferences on how far they will move to attend a university. This question showed that the majority of people in the Milwaukee area would prefer to stay regional or local. Very few people preferred looking to another nation for college, which is logical considering that most United States universities have weekly, monthly, and semester study abroad opportunities.

Picture 36: Chart 22

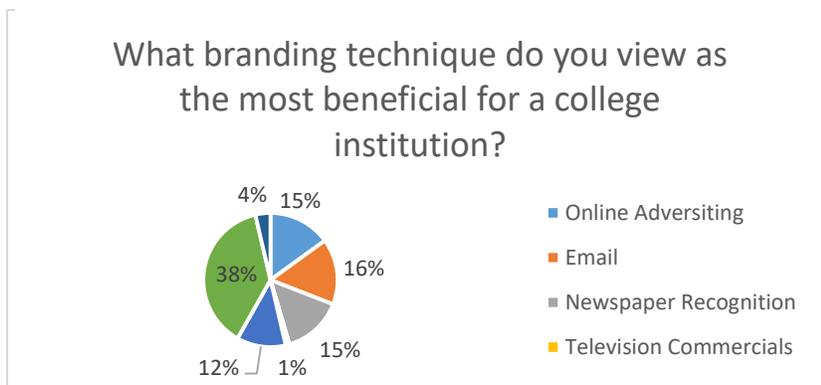


Source: Own processing, 2017

**Thoughts on Branding:**

In the United States and Milwaukee area it is clear that the public views athletics as the most beneficial college branding technique. Furthermore, television commercials are not popular amongst people at all compared to in the Czech Republic. People in the United States view email, newspaper recognition, as well as online advertising as the most beneficial branding techniques for college institutions.

Picture 37: Chart 23



Source: Own processing, 2017

## Conclusions

After analyzing both universities branding strategies through primary and secondary research, we developed the following conclusions. First off, the visual styles of both universities' logos are good, but Marquette's looks more positive in people's eyes. This is because Marquette has the slogan "Be the difference" to go with its logo, which helps create more brand awareness.

Furthermore, after analyzing the traditional media of each university, we found that both have their own radio students managed by students. One difference between the schools is that Marquette has its own television (MUTV) that is managed by students. Marquette's television network broadcasts: campus activities, Marquette athletics, as well as student ran programs. When looking at newspaper publications we found that UWB uses newspapers to promote its brand, while Marquette has its own student run newspaper that contains campus news and stories. We also found that both universities emphasize research in their professional publications.

Additionally, after researching both universities' web pages and social media, we found that Marquette has a better website compared to the University of West Bohemia when looking at design, clarity, functionality, and building brand awareness. After reviewing twitter, we found that Marquette had an excellent twitter presence with a score of 24 out of 25 on our evaluation matrix provided earlier. On the contrary, the University of West Bohemia does not have a very good twitter and shows a 10 out of 25 on the evaluation matrix. As far as YouTube presence, we found that Marquette had a better one compared to the University of West Bohemia by a large margin.

Lastly, after visiting the spirit shops of each University, we found that Marquette's spirit shop was better laid out with a large space. Currently, the University of West Bohemia's spirit shop is shared with their book store, but it should have its own space.

## **Recommendations**

First off, we recommend that the University of West Bohemia creates a slogan that can be associated with its logo and brand to help build stronger brand awareness. This will help the public better identify the university with its logo.

Also, we recommend that the University of West Bohemia uses local television more frequently to help promote its brand, and Marquette should try to reach more individuals with its television network than solely the campus. Television is a great traditional media platform that can be utilized to build an organization's brand. Therefore, both universities need to look to maximize their reach on television networks. The University of West Bohemia can advertise more around Pilsen, while Marquette can look at adding television network deals for its athletic events.

Moreover, we recommend that the University of West Bohemia forms more opportunities for people to communicate with them via Facebook. Additionally, Marquette should let people rate them on Facebook because they currently have that function turned off. When it comes to Twitter, we recommend that the University of West Bohemia focuses more on social media to market themselves better and increase its brand awareness. For YouTube, Marquette can do better with its YouTube comments, where the University of West Bohemia needs help redefining its YouTube presence completely. We recommend the University of West Bohemia utilizes its marketing department in the faculty of economics to help its YouTube and Social Media presence. This would help students learn more and create a better social media presence for the university.

Finally, we recommend that the University of West Bohemia improves the products it offers and creates a separate store for its spirit wear. Although Marquette's spirit shop is near perfect, we recommend they advertise the store more on campus because the location is hidden on the bottom floor of the Alumni Memorial Union.

## **Final review**

In presented project authors at first introduced to reader both Universities, and introduced what the branding is. Through in-depth research from primary and secondary sources, authors found out, that branding of Marquette University is superior to University of West Bohemia branding. Biggest differences in research were in using social media (mostly Twitter and Youtube), in building brand through spirit shops, and in Brand perception by students and public. At the end of the project authors created recommendations what to improve for both Universities.

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# Exhibits

Exhibit A - Facebook evaluation matrix

	Marquette University	University of West Bohemia
Elaboration (amount of information, overall impression)	5	4
Feedback	5	4
Possibility to contact University	5	2,5
Activity	5	5
Ratings	0	4,3
Total	20	19,8

Source: Own processing, 2017

As Content is meant amount of information which web pages contains. For example if pages contains enough informations for Applicants, Students and public, and also if there are news from Universities and links to social media.

Category bulding brad awareness contains factors awarded each by one point: logo promotion, job fairs organization, work with slogans, participation in college fairs and research.

Exhibit B Twitter evaluation matrix

	Marquette University	University of West Bohemia
Elaboration (amount of information, overall impression)	5	3
Feedback	4	1
Use of Twitter features	5	3
Activity	5	3
Cooperation with other users	5	0
Total	24	10

Source: Own processing, 2017

Exhibit C YouTube evaluation matrix

	Marquette University	University of West Bohemia
Elaboration (amount of information, overall impression)	5	3
Feedback	3	1
Activity	4	1

Storytelling	4	2
Students involment	4	2
Total	20	9

Source: Own processing, 2017

Exhibit D Web pages evaluation matrix

	Marquette University	University of West Bohemia
Clarity, functionality and usability of websites	4	3
Design	5	3
Visibility in search engines	5	5
Contend of Web Pages	5	5
Bulding brand awareness	5	4
Total	24	20

Source: Own processing, 2017

# **Branding Czech Republic and United States**

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Michael Atkinson, Henry Lu, Barbora Halířová

## **1. Introduction**

There is no debate that every country has its own history, tradition, and distinct culture that makes it the place that it is. Each one is distinct and special, with so much to learn and experience for those not from it. A few questions are raised though, how does someone from one country learn about another country across the globe and be motivated to travel there? How can countries promote tourism to raise revenue and GDP?

This project focuses on how the Czech Republic and the United States brand themselves in order to spread awareness about their cultures and to promote travel. While both countries may have differences in how they promote themselves and brand the country, both use governmental and non-governmental organizations to their advantage.

We begin by discussing the importance of globalization, internationalism, and why these are increasingly important roles in why countries need to brand themselves. Then we go on to discuss our survey results, how we got them, and why they are important to branding a country. Next, we discuss how Czech Republic and the United States each brand themselves and then communicate their brand through various channels. Finally, we discuss various Czech Republic and United States organizations that promote their culture and spread awareness, some of which are governmental programs and some are non-governmental programs like Czech-American TV and American Friends of the Czech Republic.

## **2. Globalization/Internationalism**

We would like to start out by discussing the importance of globalization and internationalism relative to countries branding themselves. Globalization is the idea that businesses, organizations, and individuals are interacting beyond their own borders and on an international (or global) scale. This is extremely important because businesses are generating more revenue abroad than ever, which is a huge motivator for governments to be proactive in encouraging tourism. Increasing tourism as an export is increasingly vital for countries to

raise their GDP and help prosper with excess revenue. Currently, tourism accounts for approximately 3% of Czech Republic's GDP and about 2% of the United States GDP (The Authority of World Travel & Tourism). While on a pie chart this may be a small portion of total GDP, tourism generates millions in revenue and countries like the United States and Czech Republic are starting to see the benefits for building relationships with each other to promote tourists to visit.

The way to motivate foreign travelers to want to come to your country is to brand yourself through culture, activities, and history, but we will discuss branding in more detail later. The internet is allowing more people to travel than ever also. People can now visit websites, research various aspects of a country, and plan their trips easier than they ever have. This increases the pressure of countries to brand themselves and make their online presence strong because potential travelers can look at many more options than they could years ago.

As the world becomes more accustomed to the theme of globalization, internationalism becomes more prominent as well. Internationalism is the idea that people of the world should unite across numerous aspects of life to advance common interests. This also applies to governments working together because it will promote a healthy relationship and be the best thing for both countries in the long run.

The United States and Czech Republic are really embracing this idea as they are developing many organizations and programs, whether it be governmental or non-governmental, that reduce the institutional barriers between one another. Initiatives like the American Friends of Czech Republic or Czech Republic visa waiver program that we will discuss in more detail later, really encourage a healthy and mutually beneficial relationship between the two countries in which inherently promotes travel.

### **3. Survey results and discussion**

In the past the United States has done minimal branding of itself regarding encouraging tourism. The US has relied on their reputation and the sheer weight that the name “United States of America” holds. As globalization and the internet become more prevalent, the US is realizing that they need to brand themselves in order to attract tourists.

With the main purpose of this project to show how the United States and Czech Republic brand themselves to expand their culture, much of our ideas revolved around travel and tourism. As we already discussed, the world is becoming more global and promoting internationalism and that is a prominent reason for why countries like the US and Czech Republic need to brand and market themselves to bring in tourism and therefore increase revenue and GDP.

This idea led us to conduct a survey asking people various questions about traveling. We asked things like do you like to travel? What do you like to see when you travel? What parts of the world are you attracted to? We asked many questions similar to these mentioned and then some questions pertaining specifically to Czech Republic. The main objects for our survey are to examine their knowledge about Czech Republic and their willingness to travel there.

We were extremely pleased with not only the amount of survey responses but also with the diversity and range of people who took the survey. We received 118 responses from people all over the world. The number of responses gave us a very solid sample size that made us confident to use the results to supplement our points that we make about branding, marketing, and promoting country culture throughout the paper. You can find the results to our most applicable questions in the appendix.

In our first question of “Do you like to travel abroad?” and overwhelming 94.1% of respondents said that they do (Exhibit 2). This shows that traveling in general but traveling to

new countries is more popular than ever. People all over the world are feeling the need to experience a new culture and leave their current state. This response also confirms that the importance for countries to brand themselves is more vital than ever because with people looking to travel abroad, you need to make your country stand out and be the most appealing one.

Our second applicable project question was “How often do you travel abroad?” Surprisingly, approximately 66% of our respondents said they travel at least once a year and 16% saying that they travel three to four times a year (Exhibit 3). We were quite impressed with this response because traveling at least once a year is pretty frequent and shows that international travel is a trend that is increasing with time. The days of staying in your own country, and in America’s case only vacationing to other parts of the country, are becoming a thing of the past. This survey results confirms our idea that country branding and marketing is essential in order to produce new revenue in this “emerging market”.

The final question we asked our survey takers that we would like to discuss here was “Do you prefer visiting countries, where people speak english well?” This is an important question to America and Czech Republic because obviously America speaks english and Czech Republic has a quite strong background in speaking english. With english being such a dominant language, places like Czech Republic where many of the citizens speak english, but mostly in larger cities (Prague, Brno, ..) have a huge advantage of American’s visiting.

Approximately 56% of survey respondents said speaking english in the country they are visiting is a must (Exhibit 4). This encourages them to visit places like Czech Republic because they will feel much more comfortable knowing that at least some of the citizens have a basic understanding of english and major cities like Prague speak it frequently and fluently.

Next, we discuss more in depth about how our survey results support brand building and branding phenomenon.

In our survey, there are three questions regarding to willingness to travel, travel frequency, and the preference to travel to countries where people speak English. As can be seen from these charts located in the appendix.

Key results were that 94.1% people showed their willingness to travel and 66% of them responded that they travel at least once or twice a year. In terms of language preference, the chart shows that about 56% people feel more comfortable when they could speak English, which makes sense to us because it would be relatively difficult for people to travel without knowing the language and communicating with local people. Nevertheless, the survey results still clearly show that travelling is in high demand, which rationally make sense because it is the most direct and efficient way for people who are interested in exploring the world.

#### **4. Branding phenomenon/brand building**

Before people get to travel, the first question arises is the travel destination, which is why brand building for Czech Republic as a country is so important. If people are not able to find enough information about the place where they want to go, they tend to think twice.

Another reason why brand building is so critical is that Czech Republic have experienced dramatic changes in its political and economic structure since the end of the communist era. After Czechoslovakia dissolved into Czech Republic and Slovakia Republic, people living in the Czech Republic quickly awarded the importance of differentiating themselves.

In 1993, the Czech Ministry of Foreign Affairs and Ministry of Education, Youth and Sports recommended to use the name *Czechia*. In 2016, *Czechia* was authorized to be the official short name by the Czech government. Having a short country name is critical because it is one of the symbolic things that people will know about a country. Beside of having

symbolic name that is easy to remember, it is also important to let people leave good impressions about the country.

For example, people who have traveled to the United States are always impressed by things like National Parks, the big apple New York City, Disney World, and Hollywood, etc. When it turns to Czech Republic, as can be seen from our survey, Prague and Beer are two things that got mentioned most frequently.

To give an idea, how a country as a brand might be viewed, another example will be presented. When we traveled to the Czech Republic to have an exchange student program with the Czech students from UWB, they did an incredible job on helping us immerse into the culture by bringing us to the local sports event, ballet show, and companies. In the end, we had very good traveling experience by exploring the culture through local citizens, which is an important part of cultural heritage. However, there is a potential drawback for this interactive way of branding. Not everyone could leave a positive impression to the travelers, which means the result for this method could go either good or bad.

**Brand building** is classified into two categories: **cultural branding** and **place branding**.

**Cultural branding** focuses on cultural heritage, which includes built environment, natural environment, artifacts, and people, as either tangible or intangible that have passed from generation to generation. It is very important to differentiate between cultural history and heritage. One country can have rich history, but it may not have good cultural heritage, which is something that goes beyond concept phase and brings more interactive experience.

By focusing on cultural heritage branding, people can make much more emotional connections with the culture and ultimately result in a different and authentic travel experience.

**Place branding** focuses on communicating with people by broadcasting visualizable material. Advertising video created for a certain place is a good example for place branding.

As a group, we see place branding as a supplement to cultural branding and the catalyst to persuade people to come visit. For example, in order to market the city Prague, the government agency specifically creates an official tourist website called *Prague.eu*.

## **5. Marketing communication**

As we just described, brand building is essential for countries to do nowadays if they want to generate revenue from tourism. So if a country builds a brand what do they do next? How can they let people from all around the world know that their country is the best place to travel? The answer is marketing communication, this is the various platforms and methods a country who just built their brand can then use to communicate themselves to the world. We will discuss a few channels that the United States and Czech Republic use to communicate their culture, history, and activities so the rest of the world can learn more about them.

The Czech Republic is much smaller country compared with the United States for example, therefore the promotion and the communication with the outside world in order to attract the tourist attention is becoming even more important, due to the size of the Czech Republic and lack of name recognition in competition to places like USA, China, etc.

### **USA:**

The marketing communication for the US to brand itself focuses on online website and social media because of their popularity and effectiveness. Because there are numerous websites and social media hits existing out there, we choose the most prevalent for our discussion.

With social media being more popular than ever and continuing to increase, America has definitely taken advantage of this platform. The United States has various websites, that we will discuss later, that are promoted on platforms like twitter, facebook, and instagram and encourages these social media users to check them out.

The first notable United States website is **American Friends of the Czech Republic** (AFoCR), which aims at fostering the relationship between United States and Czech Republic in various areas. Because this is a non-governmental organization instead of solely being a marketing website, we decide to discuss about it in detail in our Non-Governmental Promotion part and to focus on talking about Brand USA here.

Different from the American Friends of Czech Republic, **Brand USA** is a governmental organization that was launched in 2010 by the Obama administration to further market the U.S. Brand USA is the destination marketing organization for the United States with the mission of increasing incremental international visitation, spend and market share to fuel the nation's economy and enhance the image of the US worldwide.

According to the Atlantic, Brand USA had 339 travel - industry partners with more than \$139 million of contribution in services and cash (Scaturro). In the past three years, it has helped increase more than 3 million international visitors to US and benefit the U.S. economy with more than \$21 billion. Brand USA operates its business through partnership with the travel industry by not only providing public events and activities, but also providing industry insights and reports to the partners. Aiming to rebrand the United States and attracting more international travelers to come to US, Brand USA launched its first national tourism campaign in 2013, which includes the travelling promotion and advertisement through broadcast, news press, online video, and social media. The advertisement for the campaign is "Discover of America, Land of Dreams"(Brand USA).

In the global international tourism a growth is being expected for the future, so getting ready and working on a tactical promotion structure will pay off in the long run.

In today's world it is essential to have quality products and services and be able to promote them effectively. Highlighting the difference and uniqueness of a country can

stimulate new visitors to come visit a place they have never been, which is something that we will elaborate more on in the governmental and non-governmental promotion section.

As more and more people nowadays travel, a country has to focus on a specific target audience, and combine well all tourism marketing strategies, tools and technology in order to get closer to the potential clients and make them act.

In the questionnaire that was used for the research there was a question “Where do you search the information about a country you are going to visit?”. By asking this question we wanted to see, which sources people usually use in order to get the information they are looking for before they travel to a distinct country. Most of the respondents (69.2%) stated, that they search randomly on the internet. By this answer the importance of SEO (Search Engine Optimization) is emphasized. The goal of SEO is to affect positively the visibility of a web page in a web search engine’s unpaid results. That means, if a web page is well programmed and maintained, it is more likely that the page will appear to a person in the results list. So the overall goal is to make a web page visible to the potential users.

The second most frequently stated answer (47.9%) was that people search information on travel blogs. When reading a travel blog, a tourist might get a highly valuable information from someone, who already has some specific personal experience, which serves to the potential traveler very good, because it comes from a real situation. 43% of respondents said, that they pay a lot of attention to personal recommendation from their friends and family members, which points to the fact that the positive either negative WOM (word of mouth) has a huge impact on person’s decision making process.

WOM means passing an information to people in your surroundings. It is know, that people share a positive experience with less people than if they had a bad experience. So if we apply this result to tourism, it is very important to build the country’s reputation through

people (both visitors and residents), not as much as through the product itself, nevertheless the product is actually the “message” that is being massively promoted.

Finally, 34.2% of respondents answered saying that they go directly to the official travel website of a concrete country. For the Czech Republic it would be the site named *Czech Tourism*. All of this information that was discussed can be found in the Appendix.

## **6. Czech Republic- governmental promotion**

Here we discuss how the government of the Czech republic institutes various programs and organizations in order to promote their country to not only the United States but around the world.

One example is the Ministry of Regional Development of the Czech Republic. “The Ministry exercises the function of methodical and coordination body for all entities operating in the area of tourism. The State Tourism Policy Concept in the Czech Republic for the period of 2014 – 2020 constitutes a mid-term strategic document, which is first of all based on development potential of tourism in the Czech Republic and is an indispensable instrument for the activities of the Ministry in this field.” (Ministry of Regional Development, CZ)

The introductory part of this document discusses the conditions on the czech market. It communicates these issues in order to give a broader understanding of the present situation within which is the tourism sector in the Czech Republic being developed. This concept focuses on internal conditions of the expansion of the tourism in the Czech republic and on the other hand focuses also on the external elements that actually affects the whole system.

The tourism sector is very sensitive industry with a huge overlap to social and environmental matters therefore it is crucial for any country to plan all their activities. In order to develop more potential touristic places in the Czech Republic, the Ministry exercises

the function of methodical and coordination body for all entities operating in the area of tourism (Ministry of Regional Development CZ). In order to build good reputation for Czech Republic as a good tourism place, the Ministry tries to give more protection to foreign travelers by setting operating rules to the domestic tour operators and travel agencies. To do so, the Ministry funded and built an organization called Czech Tourism in 1993 with the mission of promoting the Czech Republic as an interesting tourist destination abroad and in the Czech Republic (Czech Tourism).

Czech Tourism is a Czech Tourist Authority presenting the Czech Republic through participation at international conferences and trade fairs all over the world, so in other words they take an active role in the branding of the Czech Republic abroad. They also look for strategic partnerships that could lead to increasing the prestige of the destination brand.

The activities of Czech Tourism for the year 2017 are focusing on extension of the period stayed in the country, because the average number of days spent in the Czech Republic is somewhere around 2,6 days and mostly visitors stay only in Prague, 65% of tourists visit only Prague, when going to the Czech Republic (Czech Statistical Office, 2016). So the second goal is to draw the tourists even beyond the boundaries of Prague and offer them an alternative to the currently popular city breaks and increase the number of visitors coming for a visit and generate higher revenue from tourism.

As we have already spoken about the importance of creating unique offer in tourism so another intention of Czech Tourism is to broaden the possibilities that the tourists have when it comes to discovering the beauty of the Czech Land. So finding and promoting unique and remarkable places throughout the Czech republic is very important for further growth.

The major 2017 communication theme is The Story of the Baroque Landscape and its Architects. They continue to positionate the Czech Republic as a Land of (Romantic) Stories. Also, the cooperation of different subjects in tourism plays a big role and to give an example,

Czech Tourism actively cooperates with czech regions in order to create an inspirational content supporting visits to tourist regions.

Concerning the global issues happening in today's world, they also incorporated the factor of a safe destination in their presentations. One of the communicational goals is to increase the awareness of regional products that would create a demand for traveling to smallest cities and areas that are not that much known in abroad.

Talking about other goals, the intention of all their activities is to increase the number of conversions, which might be: number of sold heritage cards, number of downloaded mobile applications, number of visits to itineraries of journeys with a story, reservations of air tickets and accommodation, purchase of destination cards and so on. The target group for the year 2017 are pilgrims and pleasure Seekers, as they call them (Czech Tourism).

## **7. USA governmental promotion**

Now that we have talked about how the Czech Republic government promotes their brand, now we will discuss how the United States goes about doing this. One way the the United States brands itself to promote tourism and travel is through various governmental organizations and programs.

The United States government realizes that travel is becoming more and more popular and the United States is not necessarily as much of a travel hotspot as it used to be. This has forced the government to implement more projects and promotion, like Brand USA we talked about earlier, to bring tourists here.

Since Trump has been elected the United States tourism revenue has dropped by about \$185 million (Coldwell). While this is just a recent fact, tourism has been going down for the past few years to this is no surprise. The USA is 129th out of 184 countries in long-term tourism growth and 112th in relative size of tourism GDP according to the world travel

and tourism council (The Authority of World Travel & Tourism). Now organizations like the National Travel and Tourism Office (NTTO) and the US Travel and Advisory Board are becoming more involved in branding the United States across the globe so citizens from all over the world are motivated to travel here. The United States government also does specific promotions with Czech Republic to encourage tourism like waiving visas for Czechs and U.S points that I will talk about shortly.

We want to begin by talking a little about the **NTTO**. According to their website their main goal is to “Creates a positive climate for growth in travel and tourism by reducing institutional barriers to tourism, administers joint marketing efforts, provides official travel and tourism statistics, and coordinates efforts across federal agencies through the Tourism Policy Council” (Tourism Policy). This is important because reducing institutional barriers is not something that one might think the United States government would promote. They really want to do everything they can to make traveling to the U.S easier for foreigners. Expanding international tourism as an export is something that the government has very recently taken more serious.

Another government organization that we would like to discuss is the **US Travel and Advisory board (UTAB)**, which is very new and was only chartered in 2003. It is made up of 32 members, appointed by the secretary of commerce, who each serve a two-year term. The main focus of the UTAB is United States commerce issues related to tourism but they serve another key purpose as well; to “advise the Secretary on government policies and programs that affect the U.S. travel and tourism industry, offers counsel on current and emerging issues, and provides a forum for discussing and proposing solutions to industry-related problems”. (US Tourism and Travel Advisory Board). This means that any pro-tourism policy or issue resolution stemmed from this organization, which makes them a major player in branding the United States and attracting tourists. Issues like travel facilitation, infrastructure, security,

and visa policy are all guided by the UTAB. This leads into a more specific USA and Czech Republic governmental policy, waiving visas for Czech citizens to visit the states.

The Czech Republic is only 1 of 37 countries in the world part of the **United States visa waiver program (Visa Waiver Program)**. Qualifying Czech citizens can visit the United States for up to ninety-days without a visa as long as they fill out an online an Electronic System for for Travel Authorization. The process is extremely easy for Czechs and really encourages their travel to the United States. This is a great way for Czech citizens to visit America, learn about the culture and things to do, and then hopefully return in the future. This is another program that really builds the relationship that the United States and Czech Republic have especially because this visa waiver program is a pretty elite group for countries to be in.

The final United States governmental promotion program we would like to discuss is a program with the Czech Republic called **US Point Plzen**. US Point Plzen encourages Czech students to study in the United States by “organizing regular workshops on the U.S. college admission process, visa requirements, access to scholarships, and financial aid for study in the United States” (U.S. Point Plzen). Some of US Point Plzen’s goals are to give accurate information about USA, promote english language, promote the education possibilities in USA, and arrange cultural events that enable the contact with american culture.

This organization is really beneficial because it encourages education about the United States and opens opportunities for Czech students to come and study here. US Poin Plzen offers many resources including an e-library with 36 databases, an english conversational club, student advising, and various other cultural programs. US Point Plzen opened in 2013 through “Education US.” Education USA operates in over 170 countries in order to offer students around the world the opportunity to study in the United States, and it has been a big success with more than 400 advising centers including US Point Plzen (U.S. Point Plzen).

## 8. USA non-governmental promotion

It is not only the United States government that promotes the USA brand though.

There are numerous non-governmental organizations who have the same goals of spreading American culture, awareness, and promoting travel to the USA. One of the most notable organizations that specifically promotes to the Czech Republic is the **American Friends of the Czech Republic (AFoCR)**. This organization was founded in 1955 with the intention “being the voice of the American constituency that supports the Czech Republic,” (American Friends of the Czech Republic) and they still are today. It is run by a board of directors, who mostly hail from the Czech Republic and meet at least once a month.

AFoCR generates most of its funds through donations and charitable contributions. The overarching goal of AFoCR is to promote close ties between the United States and Czech Republic through business, trade, culture, education, diplomacy, and security. A key phrase taken from their website is “It enhances understanding, friendship, and respect between the peoples of the two countries, while educating U.S. government leaders, media and other opinion makers about the goals and aspirations of the Czech people” (American Friends of the Czech Republic). We think this quote is important because it shows that the United States cares about what Czech people want to achieve is important to us. Their culture is something we should know and respect.

One huge purpose of AFoCR is to establish educational programs that promote the Czech culture and help Americans attain a better understanding of the Czech Republic.

Social interactions and cultural exchanges are a large part of AFoCR’s values and what they strive to promote. AFoCR has a tremendous track record in advancing relations between the United States and Czech Republic and advocating for the Czech’s best interest.

Two major projects that the AFoCR accomplished was that they pushed the Czech Republic membership into NATO and visa waivers for Czechs to come to America.

AFoCR has also built many memorials, monuments, and various education programs throughout their years of service. Finally, one of their most notable projects was raising \$300,000 for Czech Republic towns after a flood in 2002. AFoCR is an astounding organization that should inspire more countries to replicate. Having an organization that is so involved and have such a specific purpose are the best way to promote good relations, travel, and cultural education.

Also, we would like to discuss a program called **Sister Cities International**, which is also a great example for a city to brand itself. Founded in 1956 by US former president Dwight D. Eisenhower, the core function for this program is to help connect two cities from different countries with distinct culture background.

The way how this program works is through membership. The mission for it is to promote peace via mutual respect, understanding, and cooperation within the member countries of the program. After the World War II, foreign affairs between different countries were generally suspended. In order to reactivate international diplomacy and revive the global economy, Eisenhower came up the idea of creating bonds between people from different cities around the world. Currently this program has over 500 member communities with over 2000 partnerships in 145 countries on 6 continents (Taoti Creative).

Services that are provided by the program vary from basic cultural exchange programs to shared research and development projects.

There are two majors services that we think is directly related to our topic about country branding: the Educational Exchanges and Arts and Culture programs. For the educational program, our group think that it is one the most efficient ways to brand the country because of the direct face-to-face interactions that the exchange students have. The Arts and Culture program is one the oldest and most robust programs in Sister Cities International. This program includes activities like musical performances, art exhibits, peace

parks and gardens, and international cultural festivals(Sister Cities International), which is greatly coordinated with our previous topic about branding via cultural heritage.

Chicago is a great example for Sister Cities International program. As being a member of the program since 1960, Chicago has been focusing on promoting Chicago as a global city, developing international partnerships and network, and sharing best practices through citizen-to-citizen connections (Sister Cities International). In 1990, Chicago and Prague became sister cities. The Chicago Sister Cities organization regularly creates cultural related events and group activities to encourage people to know more about diverse culture. This is a program that specifically ran by Chicago city. It is worth to mention that one city can match with as many cities as it wants simultaneously because there are usually many ethnic groups living in the city.

So our recommendation for Czech Republic is to twin more cities abroad to create more culture connections and to let people gain more knowledge about the country.

## **9. Czech Republic non-governmental promotion**

It is not only the United States that has non-governmental programs to promote their brand. The Czech Republic also has various non-governmental programs and organizations.

Volunteering might be explained as a way to maintain and strengthen social cohesion. In the Czech lands volunteering has a long history. We could trace its origin back to the National Revival era and later to the time of the 1st Czechoslovak state after 1918, when volunteer groups significantly influenced the cultural development of the country. There is a broad consensus that volunteering plays an important role in society, based on the values of solidarity. It contributes to citizenship, especially through the fact that it is well-established at a local level, and is a factor for personal fulfilment and development. (European Parliament)

One of the most important and prominent non-governmental Czech organizations that directly promotes to the United States is **Czech-American TV**. Czech-American TV is a non-profit charitable organization under Section 501 (c)(3) that broadcasts education programs for anyone who want to learn more about Czech Heritage. The target audience of this organization are people, who speak english, because all the content they provide within their diverse activities is in english language.

The founder of this NGO is John Honner, living currently in Florida, USA, was originally born in Moravia, Czech Republic. Moravia is a region of the Czech Republic that is known for its traditions and rich cultural heritage. The broadcast is known as John Honner's CATV Show and is broadcast every Wednesday in 60 U.S. cities.

The name Czech-American TV indicates, that it is a TV, but it actually on the internet as well as televised. The programmes are broadcasted in USA on cable TV, moreover all the broadcasts can be found on their webpage as well. Each week there is a new broadcast where people can learn about the Czech culture, its heritage, cuisine, traditions, fashion, language, music, natural and architectural beauties, trade and products of the Czech Republic.

Key programs include Discover Czech Regions, Czech Landmarks, Czech Destinations, Czech Cooking, Czech Traditions, Explore Czech Lands, Czech Class, Report from Czech Republic, Famous Czechs or other.

As it is a NGO, many volunteers participate in order to keep this project running. Not only professionals in their free time, but also a great number of students help to create the contents, the visual site of their web page, social media updates and so on. For students it is a huge experience, because they actually can implement their theoretical knowledge in a secure environment and through that gain valuable skills for their further professional growth and at the same time they are actually promoting their culture implementing their own experiences and stories.

## Appendix

Where do you search the information about the country you are going to visit?

(117 responses)

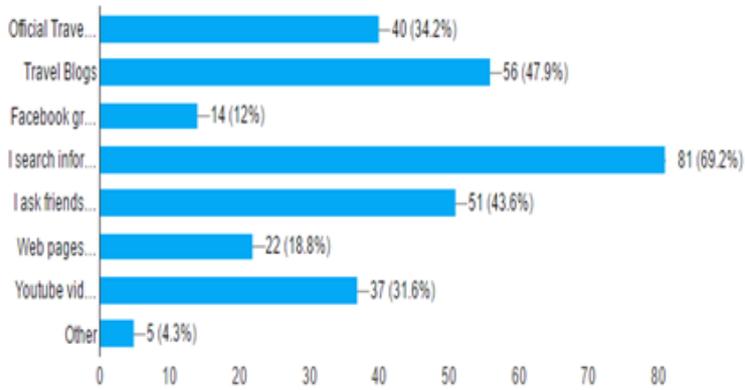


Exhibit 1

Do you like to travel abroad? (118 responses)

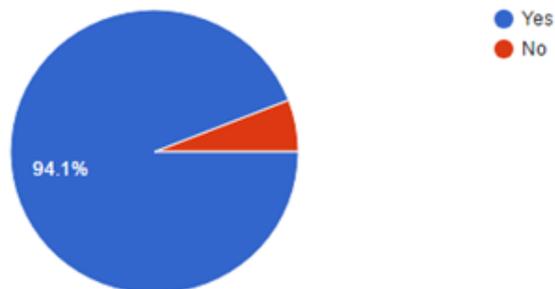


Exhibit 2

How often do you travel abroad? (118 responses)

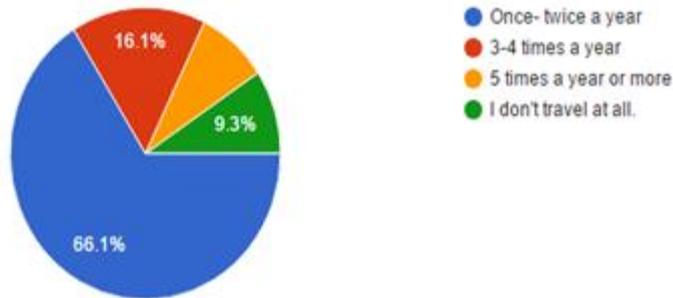


Exhibit 3

Do you prefer visiting countries, where people speak ENGLISH well?  
(118 responses)

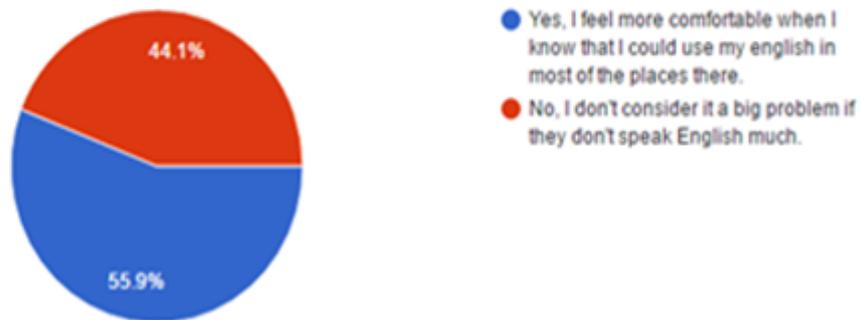


Exhibit 4

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# **Brand comparison of the foreign company in Pilsen and Milwaukee**

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Tomáš Svoboda, Paul McPeake

## Introduction

As we know globalization has many forms and one of those forms is the arrival of foreign companies in foreign countries. Those circumstance give rise to a wide range of opportunities for the company entering the foreign market, as well as the host country. Incoming foreign companies are coming to destinations to extend their business and take opportunities which destinations offer. If a foreign company wants to prosper, it will need more than experienced management, good products and large funding. Another important aspect is how the brand of a company is promoted and perceived. Today companies need to present well to build a strong brand which will differentiate the company from others. This strong brand will also create an environment that enables employees to develop which helps to develop the company in foreign country. The companies chosen are Shape Corp. and Krones Inc.

Picture 1: Shape Corp. logo



Source: Shape Corp., 2017

Shape Corp. was established in 1974 in Gran Haven in MI and is international company. Shape produces car bumpers for international car producers Nissan, Ford, Toyota, Renault and FIAT.

Picture 2: Krones Inc. logo



Source: Krones.com, 2017

Established in 1951 in Nuetrabling, Germany and is an international company as well. Krones produces packaging and filling machinery equipment for Molson Coors, Estrella, Bohemia Sekt, and Pilsner Urquell.

## **Goals and methodology**

### **Goals**

The goal of this project is to compare how these two foreign companies (Shape Corporation and Kronos) are being perceived in each region (in Pilsen and in Milwaukee on the other side). The first we will introduce some history, goals and strategies of the chosen enterprises. Next, we will analyze is the adaptation of the companies to local conditions in Pilsen and in Milwaukee and we will describe activities of each company. Then we will find how each company is known in each location and compare them among other companies in Pilsen and Milwaukee using a questionnaire. The result of this study will be recommendations for improvement and development upon the marketing of their brand.

### **Methodology**

The research of the project was based on questionnaire for each company. We know chosen companies have specific products which general public can not see every day. Focus of the questionnaire was how companies were known and how companies were promotes. That's reason why we think the results will not be good. Questions for each company was made individually based on specifics aspects of each companies. The questionnaire was distributed from half March 2017 to half April 2017 by internet link and face to face and only for people from each destination (mainly students and people in working age). For the objectives results the questionnaire did not include company's employees. Questionnaire for company in Pilsen had 50 respondents and questionnaire for company in Milwaukee had 35 respondents

# **1 Kronos Inc.**

## **1.1 Introducing, goals and strategies**

Kronos corporation is a German based packaging and bottling machine manufacturer. The company was founded in the time after WWII when the future of Germany was very uncertain. In 1951 the now executive board chairman, created a design for a semi-automatic labeller. Their first product was a hit, and consequently they ended up creating a more diverse product line. So in the 1960's Kronos moved towards developing packaging and filling systems. These become their most important two products that they developed. Currently Kronos AG is a stock corporation that is traded in the German XETRA market. Kronos now produces business companies assembly machines for their packaging and filling process. Their primary clients are companies in the soft drink, wine, spirit, and beers industries.

Kronos AG is a global corporation that employs approximately 14,000 people. 9,000 of those employees are working in Germany at either the headquarters or one of their subsidiaries. The company takes a very international approach to business as 90% of their products are sold abroad. Majority of their sales are made to companies involved in the drink markets as mentioned above, but they also produce goods for chemical, cosmetic, pharmaceutical, and luxury-good sectors. Kronos prides themselves as being the leading manufacturer of machines and complete lines for the process of filling and packaging. They advocate that when a company buys products from them, they enter a mutual partnership. In which, Kronos fights to make sure that you enjoy the products that they purchase to the fullest.

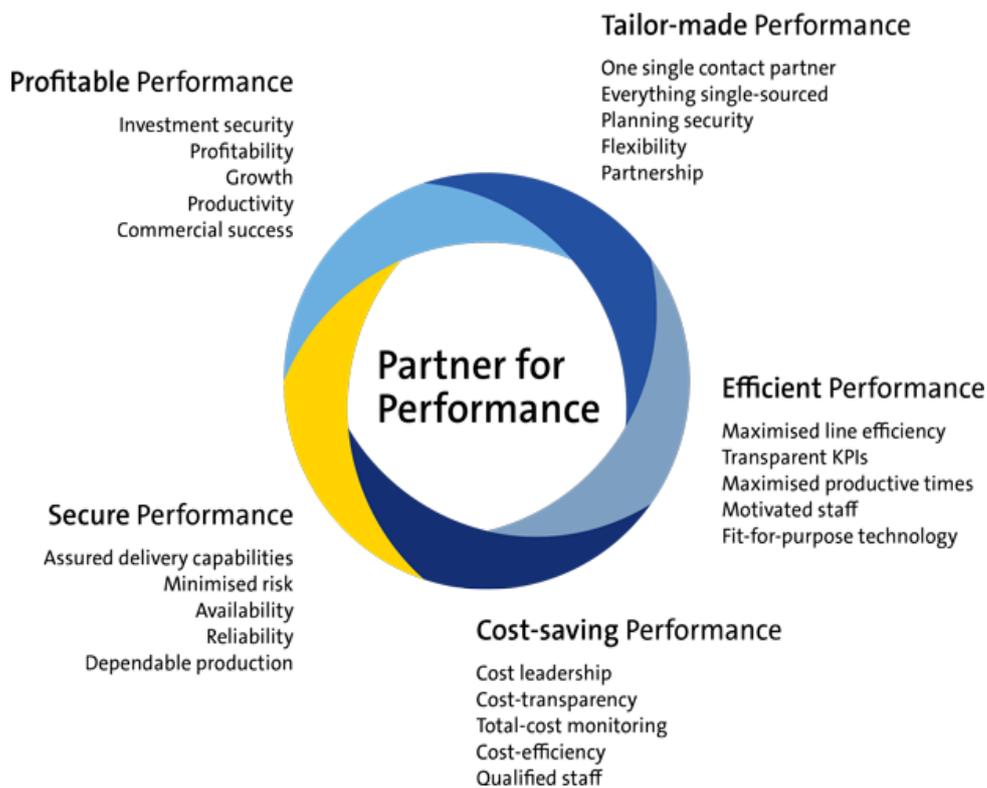
When looking at the Kronos website they state four reasons why people should buy Kronos products, Quality, Innovation, Mutual Feedback Prioritised, and Taking the Long View. They express in more detail that Innovation is one of the four columns of the Value strategy programme. Along with the other three, Attractive services, steady progress and profitable growth, all from the basis for their plan of sustainable growth. They also make sure that the quality of their machines will one-hundred percent meet the requirements of their consumers. In Taking the Long View, Kronos shows that they are interested in the creating a sustainable product. Kronos also believes in offering an around the clock service for everyone that has invested in one of their products. Overall

Krones wants to build a quality and innovative product that is backed by a reliable service, which is invested in each business.

Lifecycle Service

LCS is a program that Krones taughts very highly on their website. They express strongly that when they sell a company a piece of their equipment they enter a partnership. That when they provide a business with a Krones piece of equipment they are invested in the performance of that company. It seems to be because the performance of that company reflects directly on the quality of the Krones assembly equipment. Mostly because of how influential that type of equipment is on the That partnership continues until that particular product is no longer in use.

Picture 3: Lifecycle service



Source: Krones.com, 2017

Enviro

On the website Krones states that they are more interested in the short term success of their clients. That they want to build equipment that leads to a sustainable future. Meaning that they are developing products that use the least amount of valuable resources as possible. Meaning using the least amount of water, and utilizing recycling

as a pivotal part of the packaging process. Krones understands that sustainability is where the packaging industry is heading and therefore they want to start developing products that cater to this trend now before it is too late.

## **1.2 Adaptation of the Company in American Market**

Krones AG as a corporation has offices all across the globe. However they have segmented their operations into four different categories: Production Facilities, Sales and Service Networks, Academies, and Lifecycle Centres. The entirety of production is completed in the five different parts of Germany. All across the globe there are facilities that are focused on generating a larger sales and service network. They have academic facilities in five different continents, that help to teach prospective employees on the various techniques on how to operate different Krones technology. Lastly, the Lifecycle Centres that provide clients with Krones products customer service. Krones AG recently announced that they are moving their American headquarters from Memphis, Tennessee to Shelbyville IN.

Krones has a company location in Franklin, Wisconsin. This location is a hub for North and Central America, as well as portions of Canada. The facility provides Sales and Service Network, Academy, and Lifecycle Services for all Krones business partners in the surrounding areas. Meaning that the location tries to attract qualified candidates to learn what it takes to produce and service Krones products. They also attract new clients and serve as a service center for any of their existing clients that need service on any of their products.

The facility attracts new employees by presenting an opportunity to learn a lifelong skill. The ability to service and maintain a Krones product allows you to always be employable by the company. Since their products are advertised to last a lifetime, employees that master one of these equipments gives that individual the ability to stay competitive in that field. Giving that ability to their prospective candidates, presents a safe opportunity that may be hard to pass up. Krones has a company location in Franklin, Wisconsin. This location is a hub for North and Central America, as well as portions of Canada. The facility provides Sales and Service Network, Academy, and Lifecycle Services for all Krones business partners in the surrounding areas.

## **1.3 Activities**

### **1.3.1 External Activities**

#### Trade Fairs

Krones advertises in their newsletter that they are present at all important national and international trade fairs. By generating exposure at these fairs they attract new clients, and generate more business leads. This seems to be the primary way that Krones develops business partners. With the growing popularity of craft breweries, making connections with these smaller businesses is proving to be an important venture.

#### Customer Access

Krones offers all of their clients special access to their facilities in Germany to show them how the production process works. They also provide seminars from expert engineers and guest speakers to talk about the innovative nature of all of the Krones machinery.

#### Lifecycle service

Once you buy a piece of Krones machinery they advertise that this is like entering a mutual business partnership. They treat your business relationship as if the economic future of Krones is at stake as well their clients. They offer an around the clock service, and they have repair facilities all across the globe. Which allows Krones to grant quick and reliable service to their clients.

### **1.3.2 Internal Activities**

#### Strong Career Opportunity

Krones offers their employees a competitive pay, with 401K, medical insurance, and up to 4 weeks of vacation. They also pride themselves on their academic services that teach and develop skills and abilities that they can carry throughout their career.

#### Variety in Location

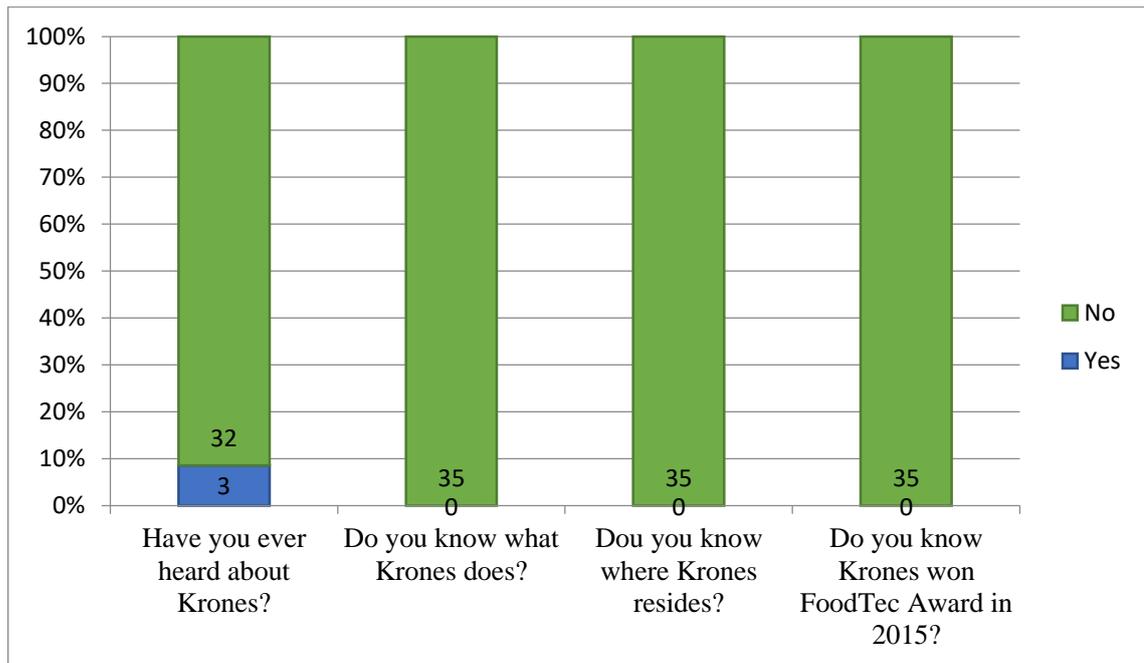
They operate on almost every single continent in many different types of capacities, and therefore that gives their employees range to travel the globe while working at Krones. It allows their employees to travel throughout the globe but stay at the same company while they do it. Since all of skills that you learn at one of the Krone academies, there is a seamless transition from location to location in the same sector of business

## 1.4 Position

### Responses to Questionnaire

The participants were generally college students, retired business professionals, business professors, and professors of other disciplines besides business (primarily philosophy). A little caveat, the business professionals interviewed were not involved in any of the drink industries. After evaluating various different respondents answers to the questionnaire on Kronen in Milwaukee I found that mostly everyone did not know who Kronen was. If the person heard of Kronen they still had no concrete idea of what the company did. A good amount of people that were asked to respond to the questionnaire made a guess from the name Kronen, and assumed that they made cranes for the construction of buildings.

Picture 4: Information about Kronen Inc.



Source: Own research, 2017

As you can tell from the results of the questionnaire on the more pertinent information of branding, Kronen does not do a great job with American upper education individuals. There were more questions in the survey but since no one knew who Kronen was, I was unable to get to these other questions. Had I done the survey again I would need to disperse the survey among people that are in the beverage industry, or people that may invest in the German stock market. These types of individuals may have at least either

come into contact with one of their pieces of equipment, or read something online about the company.

The survey did however was dispersed among college students of a variety of different majors and colleges at Marquette University. The two main ones that I thought would yield important statistics, were mechanical engineering and supply chain. Primarily because their studies closely correlate with the business operations of Kronos.

However, looking at the Kronos annual reports from 2016 to 2010 they have met this goal or come close in each of the three variables. Meaning that despite not marketing as much to consumers, they still are able to meet economic goals that they set forth each year. This must mean that they have a strong presence in the industry that they situated in, and therefore do not need to spend money marketing their brand outside of this domain.

## **2 Shape Corp. Czech Republic, s.r.o.**

### **2.1 Introducing, goals and strategies práce**

The company Shape Corp. was founded in 1974 in Grand Haven, Michigan, USA. Shape is a global company with offices in USA, Mexico, France, Italy, Germany, Czech Republic, India, China, Thailand and Japan. Today, Shape has grown to employ more than 3,500 associates globally, with four sister companies, 11 manufacturing facilities and R&D/Technical Center.

Shape is the world leader in the field of management systems of impact energy and modern roll forming. Shape is the largest manufacturer of car bumpers in North America and is also a pioneer and a major producer of bending stiffeners bumpers. That moment helped penetrate the automotive market, from which it derives most of today's customers. The expertise is applied to an array of industries, including automotive, office furniture, medical, agriculture and more.

From the beginning Shape stands on faith, determination, commitment and values. Despite the growing corporate core values allow to continue to maintain the culture of small firms, also called Shape family. Access to the company as the family comes mainly from the fact that Shape is still governed by the original owners and their descendants.

#### Vision 2021

Vision 2021 was set by Shape for the year 2021 and is based on five-year strategic framework that will guide Shape to fill Vision 2021. It's start with foundation, the foundation is the Shape family culture in addition they want to be Customer-centric in everything they do. From that foundation the company built five strategic pillars which include people development, innovation, operational excellence, Diversification and global capability.

Inside of each strategic pillar are defined specific strategic actions that will help achieve these skills and get closer to the Vision 2021. These foundations and strategic pillars support the purpose which is customers, associates and the communities in which Shapes serves. Shape wants every employee filled Vision 2021 and helped the company achieve this vision.

Picture 5: Shape Corp. Vision 2021



Source: Shapeweb.com, 2017

These strategic pillars are the same as Shape’s strategic goals which the company wants to achieve in year 2021. Strategic goals are compulsory for the whole company but each branch office in Asia, US, Mexico and Europe has different tasks and objectives which will help to reach strategic goals.

### Shape Corp. Czech Republic

In 2009, American management has chosen as the location of the European headquarters and manufacturing plant in Pilsen because of the central position to its customers. Even at this time, the company knew that it will serve customers across Europe (from Portugal to Russia and from England to Turkey). The manufacturing plant in Plzen was opened in 2011. To date, Shape Corp. exports 15 trucks every day that means more than 10,000 bumpers which go to Newcastle, Bursa (Turkey), Lisbon and Petrohrard. The most important customers include Nissan, Renault, Ford and Toyota.

Customers are mostly from relationships that have been established in previous years by the US Shape.

Shape's strategie is based on a three years plan with strategic goals. For each year in this period is set goals which have to be done by responsible person or department. All goals for certain year are reviewed and consulted in annual meeting by Czech and US management. For year 2017 Shape set many goals which you can seen below in a table.

Chart 1: Examples of Shape Corp. goals

<b>Goals</b>	<b>Brief Description</b>
TEAM MEMBER GROWTH	Start regular round tables with operators to verify culture and atmosphere within plant
WASTE REDUCTION	Payment terms extension & Inventory management - reduction
BALANCE	Put together our Europe action plan to focus our efforts assign ownership and win diversified business in 2017
MARKET RESPONSE	Czech business pursuit team established and new business quote process developed

Source: Strategies of Shape Corp. 2017, 2017

HR department has one interesting and motivating goal for year 2017 which is called Talent manager. This goal belong to People development strategic pillar and is the same for all Shape's subsidiaries. Talent management is based on identification of employees who would become for example managers of departments in 5 years period. HR department identifiys threats and opportunities of choosen candidates and prepares some courses, trainings, business work in other subsidiaries of Shape Corp. which help to candidants to become managers.

## **2.2 Adaption to Czech Market**

Since 2009, the Pilsen and neighborhood became a frequent target of new investments financed from abroad. The advantage of the region is proximity to Germany, which is the largest market in Europe, perfect infrastructure with good motorway connections, the readiness of the necessary properties and sufficient number of skilled workers with much lower wage demands than it is a few tens of kilometers farther west. All this, Pilsen provides truly excellent starting position for negotiations with foreign investors. Shape Corp chose the Czech Republic for its location in the heart of Europe, a rich

industrial heritage, a large workforce with experience in the automotive industry and proximity to Western European markets where many of their customers are.

Shape Corporation cooperated with CzechInvest which helped with the selection of suppliers for the new plant. Above all, it was a supply of stamped metal parts, plastic injection parts, cathaphoretic coating, packaging and logistics services, and the supply of tools, molds, measuring devices and other accessories for production lines. Priority was given to selected companies from the Pilsen region.

There are also a question how Pilsen support new foreign incoming companies in this case Shape Corp. We found out the Pilsen does not make any activities or some kind of supports for this companies. Any help and support was provided by CzechInvest

## **2.3 Activities**

As mentioned above Shape is young firm among others companies in Pilsen and it is one of the reasons why Shape is trying to visualize everywhere to get a great opportunity for the company or future benefits. Shape has plenty of activities and actions that are divided into external and internal which help build the brand of the company

### **2.3.1 External Activities**

External activities have a local character and their main reason is to present Shape in Pilsen and surroundings.

#### Sponsorship

Shape is currently one of the sponsors of the local football club FC Viktoria Plzeň which is the champion of Czech soccer league in recent years. Thanks to sponsorship Shape receives som tickets which are divided among employees. Shape also supports a local half-marathon running race in Pilsen which takes place every October. Employees have a chance to join in the race without paying entry fees.

#### Fairs

Shape is constantly growing company and is looking for new employees. One of the places where Shape is searching for potential employees is at local university in Pilsen. Westbohemia University promotes their annual Career Fair on the campus of the University in March. This Fair is very visited because there are main employers from the Pilsen and surroundings and from the major cities and companies of the Czech

Republic. Thanks to this event Shape has an opportunity to gain access to new candidates and presents themselves to graduates. By this Shape can evaluate their bids and compete them against the competitions who are looking for students and graduates.

An event that is similar to the Career Fair at Westbohemia University is a Career Fair in local House of Culture Peklo in the end of January. This Career Fair focus on anyone and is promoted by company Grafia, a.s. This Career Fair is annual event in the end of January.

The Days of Open Door is an annual Shape's event. By this event the company tries to get closer to public. Visitors have an unique opportunity to look at the company. In these days we are also guided tours for schools and other events.

### Advertising

Since the end of 2015 Shape is constantly recruiting new employees and therefore gives to know about themselves. Shape uses an advertisements at public transport stops Pilsen, billboards, radio ads and adds on social networks. Shape also uses a local television channel ZAK TV which a year ago broadcasted a reportage about the Shape from the series of reportages about the local large companies.

### Website

A website is not a good example of external activities but it is an easy way how everyone can get a contact and makes first look at Shape.

### **2.3.2 Internal Activities**

Another important part of the company is what company does for their associates. Internal activities are very significant for modern enterprises and plays an increasingly important role than external activities. Internal activities are important part of Shape culture. Shape wants for their employees all the best by providing different services and actions. Shape wants to make their employees feel valued and taken as part of one big family - Shape Family.

### Examples of Shape's benefits for employees:

- extra week of holiday
- fruit and drinks for free
- language lessons for employees for free
- teambuilding activities

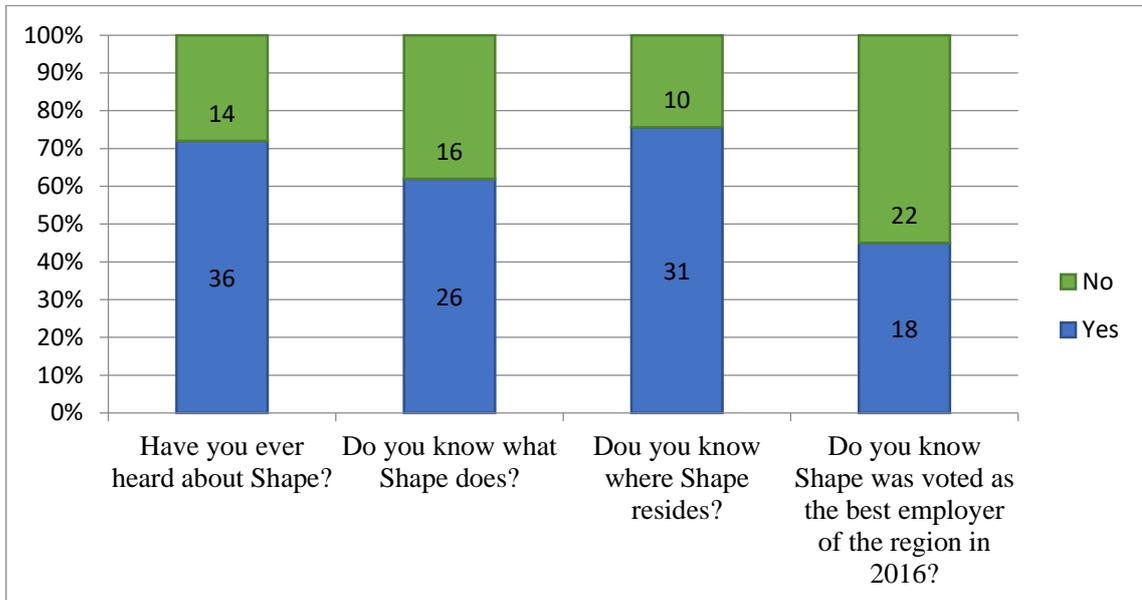
- quarterly bonus to salary
- fitness centrum
- skiing trip and summer camp for children
- wellness for women
- financial, legal, psychological consulting
- subsidized running races (Vltava Run, Pilsen half marathon)

## **2.4 Position**

Position of the Shape among other companies in Pilsen is important. Thanks to this identification we can easily formulate a company's position. The company can prepare another steps which will follow to goals and strategies of the company. One of the easiest way how to get the position is a questionnaire. The results of the questionnaire are below in graphs.

The questionnaire was submitted to 50 people who can be considered a target group of the company. These are mainly university students and people (39) of working age (11) and the quote was distributed via an internet link. Only people from Pilsen were deliberately addressed because it is a Pilsen company whose intentions and activities are mainly here. The questionnaire was not distributed among the company's employees to preserve the objectivity of the results. The aim was to find out how the people of Pilsen know one of the Pilsen companies. In fact, Shape does not produce the type of product a person comes into contact with. We started out from a different type of business, and we can not assume that everyone knows it. Questions of the questionnaire were created for each company individually so that the best data could be obtained for evaluation.

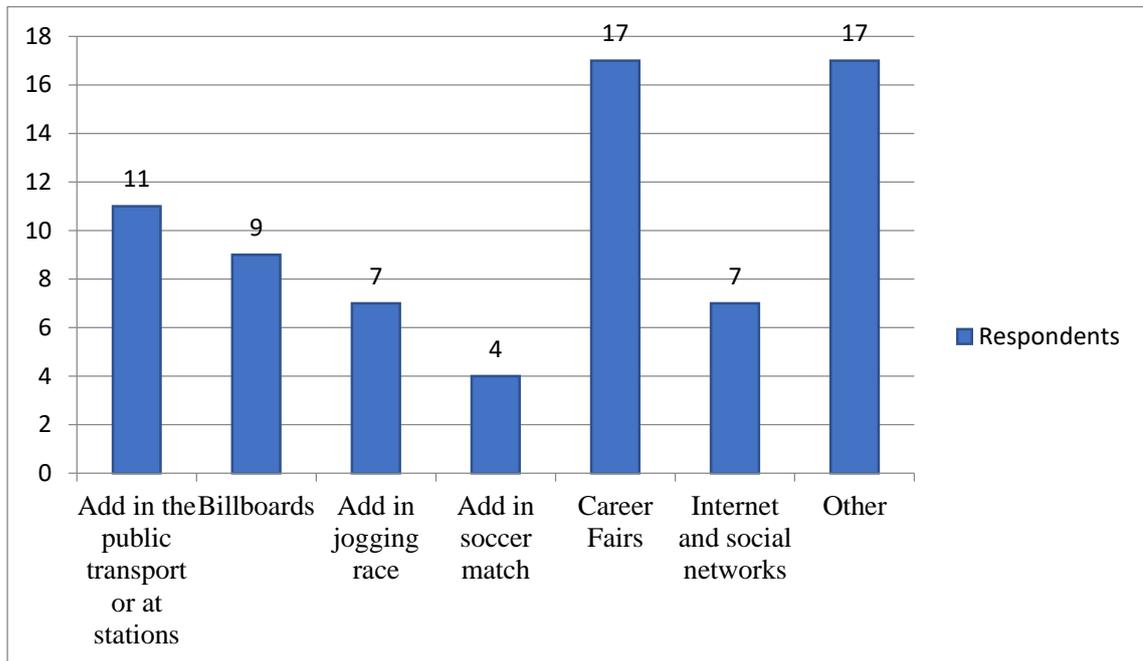
Picture 6: Information about Shape Corp. Czech Republic



Source: Own research, 2017

From the first chart we can see that most of the respondents heard about the company, they know what Shape is doing and also know where the company is based. More than half of the target group knew about the company. Nearly half of respondents knew Shape was the best employer in the Pilsen region. This issue is related to the open question of whether respondents know about another company that has become the best employer in this category. The most frequent answers were Faurecia or Pilsner Urquell.

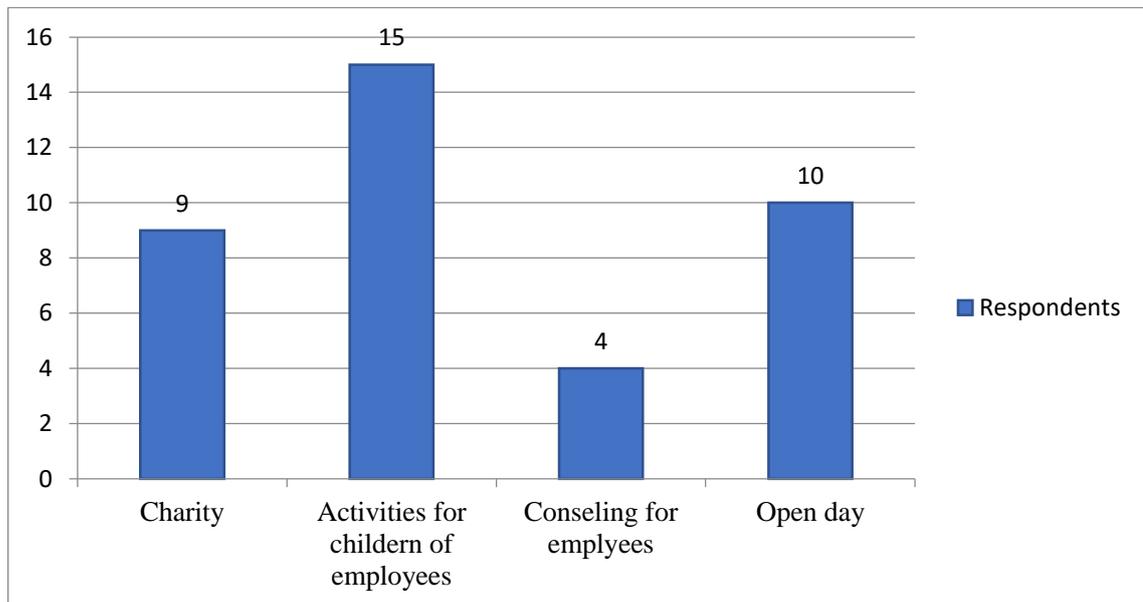
Picture 7: Where did you see or hear about Shape Corp. Czech Republic?



Source: Own research, 2017

Second chart says the most people know Shape from trade fairs, advertisements at stops or billboards. Other respondents selected the most options as a commercial from radios, from acquaintances or from world of mouth. The answers with the lowest number of answers are therefore internet resources and sponsorship. Results of the quote reflected our beginning premises that means the most of the chosen things can be seen by students like career fair on UWB, public transport using by students on daily basis, billboards along the sides of the roads in Pilsen. The lowest number answers like internet website and social network are low because this type of promotion is not used well-done.

Picture 8: Did you hear about other activities of Shape Corp. Czech Republic?



Source: Own research, 2017

The least known activity is financial, law and psychological counseling for employees. This can be explained by the fact that this is an activity for employees, and one can meet with them if they are already interested in the job and will look at the benefits that the company offers to their employees. In addition, this is a relatively new activity. Conversely, the remaining activities are much longer provided by the firm, and the firm is also often mentioned and promoted. This question also relates to the open question whether respondents know about another company that provides similar services. Most were responsible for MBTech, which, like Shape, organizes open days and charity.

### **Awards**

Awards are one of the aspects which affect the reputation of the brand, increase awareness, strengthen brand of the company and competitiveness. The award is the type that the company receives for its contribution to society, employees, etc. Shape has won numerous awards since 2011. In the tables below you can see the location which Shape occupied in the most prestigious competition in the Czech Republic.

Chart 2: The progressive employer of the Pilsen region – to 500 employees

	<b>2014</b>	<b>2015</b>	<b>2016</b>
1.	BOHEMIA SEKT, s.r.o.	<b>Shape Corp.</b> <b>Czech Republic,</b> <b>s.r.o.</b>	<b>Shape Corp.</b> <b>Czech Republic,</b> <b>s.r.o.</b>
2.	MBtech Bohemia s.r.o.	NOVEM Car Interior Design k.s.	Konplan s.r.o.
3.	NOVEM Car Interior Design, k.s.	MBtech Bohemia s.r.o.	MBtech Bohemia s.r.o.

Source: Zaměstnavatelroku.cz, 2016

Shape has occupied the first position in this category since 2015. You can see just one employer which can be considered as a stable competitor. The name of the company is MBtech Bohemia s.r.o. which was established in 1996 but Shape was established in 2011. Shape became the best progressive employer in 4 years since the company was established. MBtech didn't become the best employer in this category and lasted 18 years to be on the second position. All companies except BOHEMIA SEKT are from automotive industry.

Chart 3: The progressive employer of the Czech Republic – to 500 employees

	<b>2015</b>	<b>2016</b>
1.	JABLOTRON ALARMS a.s.	GLOBAL LOGISTICS SOLUTIONS s.r.o.
2.	LAPP KABEL s.r.o.	<b>Shape Corp. Czech Republic, s.r.o.</b>
3.	Zebra Technologies Czech Republic	LAPP KABEL s.r.o.
4.	Global Logistics Solutions	Mercedes-Benz Česká republika s.r.o.
5.	<b>Shape Corp. Czech Republic, s.r.o.</b>	Kovárna VIVA a.s.
6.	Europe Easy Energy, a.s.	Zebra Technologies CZ s.r.o.
7.	GMC Software Technology s.r.o.	THIMM Obaly, k.s.
8.	MORAVIA CANS, a.s.	Aperam Stainless Services & Solutions Tubes CZ s.r.o.
9.	MANN+HUMMEL Service, s.r.o.	RENOMIA, a.s.
10.	Karlovarské minerální vody, a.s.	GMC Software Technology s.r.o.

Source: Zaměstnavatelroku.cz, 2016

We can see from the table above Shape Corp. occupied good locations in more prestigious category as well. This category rates companies from the whole Czech Republic.

## **3 Recommendations**

### **3.1 Kronos Inc.**

Kronos should look at the possibility of collaborative marketing with one of the business partners. Through this they can increase their brand exposure to the public outside of the brewing industry. By increasing your brand exposure more potentially employees and business partners will think of Kronos as a place to advance their career and business.

While Kronos does perform well in the B2B setting, their brand exposure outside of the individuals in the brewing industry is small. People who were asked around Marquette campus, from various disciplines of the University, did not know what Kronos was, or what they do. Making a case for a need to expand their public image towards these people. My reasoning for this, is that it will cast a wide net for prospective talent to come work at Kronos. Improvements in innovation only arises from implementing new techniques into the business model. One of the most prominent ways to do this is bringing in fresh new talent that will approach the problem a different way. By potentially branding with some of the household breweries that they are in business relations with, would allow for cheap access to a new set of talent and potential clients.

### **3.2 Shape Corp. Czech Republic, s.r.o.**

The activities doing by Shape are effective and in this respect Shape should continue. According to the results of the questionnaires, it can be seen that the way in which Pilsen can be known can be evaluated as good - they use good methods and approaches for addressing and promoting, but Shape should focus on the content of the message. According to the results of the questionnaires, it can be pointed out that according to the respondents, Shape could not be seen very good on the Internet and on the social networks.

Websites are the easiest and fastest way for people to get information about the business. Since early April, Shape has globally launched new sites that are much more representative and more modern than which they had previously. The new pages have already useful and useful links that will inform the company about the company (what Shape offers, demands, searches, etc.) and where to contact it. According to us, it would be advisable to refer to websites as much as possible in promotional material because it is a simple way of promotion and a source of information.

In regards to social networks, Shape does not use any kind of social networking, which is a shame. Only Shape Corp. Us is parenting team has its own Facebook profile, but that's all and this cannot help to Shape Czech anyway. We think the company should create a Facebook profile because it is an even faster source of information for many potential job seekers than the classic website. Shape can target the younger generation (students) who can easily get the information through a profile on Facebook. Thanks to Facebook's capabilities, Shape has a chance to make an ad for free. In addition, most of the employees have Facebook profile, so they can sign up for Shape by choosing them as employers. The profile should be the most important information about Shape Czech, such as contact details, information, offers, links to websites and photos from events organized by Shape, etc. The time needed to manage the Facebook profile does not take much time. According to us, the FB profile is the easiest and cheapest way to promote and source information. For example, Krones Inc. has FB profile and do the above recommended activities. Even the "biggest" Shape's Czech competitor MBTech has its Facebook profile and does the things we have already done.

Ms. Červenková HR project manager in one of the interviews told us the award for the best employer in Pilsen regionu has a big impact for jobseekers. Those jobseekers including students are mostly from Pilsen region and offer themselves. If Shape wants to get a employees from other companies most of them are very interested that Shape has won these awards. We suppose Shape should use this affect on website, Facebook profile, billboards and adds. It mustn't be used everywhere on adds but they souhld not be afraid to use it.

## **Conclusion**

In this project we focus on branding comparison of the foreign companies whose products cannot be seen normally at the public - US company Shape Corp. in Pilsen and German company Krones Inc. in Milwaukee. Both companies focus on specific industry (bottling machines and bumpers) and B2B market because their customers are big international companies.

However we feel that both companies can improve their branding to the consumer bases by, attending more colleges campuses (Krones), and establishing more of a social media presence (Shape Corp.). Overall both companies have been growing and expanding to new environments, which means that they are performing well financially. Despite this they should start to appeal to younger generations by implementing the branding techniques stated above.

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# **Comparative Marketing Analysis: Dr. Pepper & Kofola**

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Brooke Miller, Kamila Balínková

## **EXECUTIVE SUMMARY**

The objective of our project is to gain an understanding of the marketing strategies of both Kofola and Dr. Pepper in order to analyze how they vary due to cultural differences. We conducted secondary research to understand the companies, their marketing activities and how they engage with fans on social media. In addition, we also conducted primary research by conducting two online surveys to see how Americans would respond to a Kofola video advertisement and how Czech respondents would react to a Dr. Pepper video advertisement. Lastly, we also conducted a taste-test to determine if Czech respondents liked the taste of Dr. Pepper and if Americans liked the taste of Kofola. After reviewing these analyses we will determine whether Kofola would be successful in the the United States and if Dr. Pepper would be successful in the Czech Republic, if the companies were interested in fully entering the specific foreign market.

## **COMPANY BACKGROUNDS**

### **DR. PEPPER**

The soft drink known as Dr. Pepper today is the oldest major soft drink in North America<sup>1</sup>, as it originated in 1885 inside a Texas drugstore with the name of “Waco”. The soda has a very unique blend of flavors and Dr Pepper prides itself on the fact that there are 23 flavors used to create the original soft drink. Due to the unique concoction, Dr. Pepper has never considered itself a “cola”.

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<sup>1</sup> <https://www.drpeppersnapplegroup.com/brands/dr-pepper>

More than 125 years later, the Dr. Pepper brand is now owned by the Dr. Pepper Snapple Group, a beverage company offering more than 50 brands in the soft drink industry in North America. Although the brand is distributed all throughout the United States, the brand is most popular in the southern area. *(See part 1 of the Appendix for a post displaying brand strength in the South.)* The vision of the Dr. Pepper Snapple Group is to “be the best beverage business in the Americas.”<sup>2</sup>

## KOFOLA

Kofola ČeskoSlovensko produces non-alcoholic drinks, a traditional Czecho-Slovak drink based on an original recipe. The mission of the company is *“We are Kofola. With enthusiasm we strive for what is truly important in life: to love, to live healthy and always look for new ways.”*

Kofola originated when the Czechoslovak Research Institute of Medicinal Plants in Prague did a research targeted at finding a use for surplus caffeine which is produced in the process of coffee roasting. They discovered dark-coloured sweet-and-sour syrup “Kofo”. It became to be the main ingredient of a new soft drink named Kofola introduced in 1960. It became to be very popular because it was similar to Western Coca-Cola or Pepsi, which were not available.

The vision of the company is *“By 2017 we want to be the CzechoSlovak leader in gastro and impulse, stabilize retail and offer our beverages in a healthier form and as till now we will produce our products with the greatest care and love.”*<sup>3</sup>

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<sup>2</sup> <https://www.drpeppersnapplegroup.com/company/vision>

<sup>3</sup> [www.company.kofola.cz/content/company-profile](http://www.company.kofola.cz/content/company-profile)

## COMPANY COMPARISON

Considering that Dr. Pepper is owned by the Dr. Pepper Snapple Group, a portfolio company, while Kofola is independently owned, there are significant differences between the two companies. Namely, it is difficult to compare the companies in terms of revenue since the portfolio company does not report revenues by brand. As a result, it appears that Dr. Pepper Snapple Group outperforms Kofola in annual revenue (*See part 2 of the Appendix for the Revenue by Company graph*). In addition to the variance in revenue, it is also critical to point out the fact that the market in which each company distributes to varies largely in terms of size. Dr. Pepper is distributed all throughout the North American market, while Kofola is distributed in Czech Republic, Slovakia and Poland. Despite these differences, we remain confident in our ability to conduct a valuable comparison focused on the marketing strategy of each soft drink brand.

## TARGET MARKET

### DR. PEPPER

According to InfoScout<sup>4</sup>, most Dr. Pepper drinkers are Caucasian individuals who fall under the age of 24, or between the ages of 45 - 54 years old. These consumers do not have kids and majority are uneducated. InfoScout also states that their consumers are more female consumers than male, which likely is due to the fact that more women do grocery shopping than men in families. Based on my perspective after viewing their advertisements, it seems like they target males who enjoy football and seek adventure.

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<sup>4</sup> [http://infoscout.co/brand/dr\\_pepper](http://infoscout.co/brand/dr_pepper)

## KOFOLA

This product is focused on young people between 15-40 years with healthy and active lifestyle.

This brand is very often connected with love, friendship and peace. Kofola is also very typical product which people usually drink during Christmas time and mostly in summer.

## **PRODUCT OFFERINGS & DISTRIBUTION**

### **DR. PEPPER**

Customers can find Dr. Pepper in many grocery stores, convenience stores, restaurants and fast-food chains as a fountain drink. Additionally, the soda can be found at many sporting events throughout the United States of America.

Dr. Pepper can be found in many different sizes, but its most typical offerings are in 12-ounce soda cans, which can be sold individually in a vending machine, or in 12 or 24 packs in grocery stores. The soda is also offered in 2-liter bottles and 12 ounce plastic bottles to drink on-the-go.

There are nine flavors sold under the Dr. Pepper brand name. In addition to the original Dr. Pepper flavor, other flavors include: Cherry Dr. Pepper, Cherry Vanilla Dr. Pepper, Dr. Pepper Ten, Dr. Pepper Caffeine Free, and Diet Dr. Pepper.

Diet Dr. Pepper has proved to be successful from its very first introduction in 1963. However, it is worthy to note that Diet Dr. Pepper's sales have performed extremely well considering the fact that American consumers have become more health-conscious in the millennium era. Due to this trend, Diet Dr. Pepper alone has become a major player in the soft drink landscape. The brand offers many flavors of Diet Dr. Pepper to maximize their position in this fast-growing market. For example, the brand carries Cherry Diet Dr. Pepper, Cherry Vanilla Diet Dr. Pepper and Caffeine Free Diet Dr. Pepper flavor offerings.

## KOFOLA

Consumers have two options where to buy Kofola. The first one is in almost all grocery stores. Customers have the chance to buy it 0,5l PET bottle, 1l PET bottle or 2l PET bottle or 0,25 can. These bottles can be bought also in beverage or snack automats. This beverage has very long tradition in restaurants, pubs and bars. Czech people love to drink Kofola when they visit places like these. It can be served in a glass bottle but most of the time the restaurants have 5l barrel and they serve it as a draught drink.

## MARKETING ACTIVITIES

### DR. PEPPER

The Dr. Pepper brand is actively communicating their message on many different marketing platforms. The brand actively utilizes social media and has a large social media following.

Despite the surge in digital marketing, Dr. Pepper has also remained significantly invested in traditional media placements. Based on Dr. Pepper's media spend, the majority of their marketing budget is allocated toward Cable TV. According to Kantar Media, by the end of the third quarter in 2016, nearly 47% of Dr. Pepper's marketing expenses was spent on advertisement placements for Cable TV. *(See part 3 of the Appendix for a breakdown of Dr. Pepper's Media Spend.)*<sup>5</sup>

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<sup>5</sup> Kantar Media

Dr. Pepper is advertised in special displays and featured throughout grocery stores to encourage customers to buy the products in store. Very often there are specials like buy three 2 Liters of Dr. Pepper for a certain price to save money, while encouraging bulk-purchases.

## KOFOLA

The promotion of Kofola doesn't involve only communicating on Social Media but other promotional activities such as sales promotion, advertising and public relations as well. This company uses a strategy which builds up customer demand for a product by directly influencing the customer. Advertising is the main form of promotion for Kofola. They mostly have advertisements placed on television. Advertising on the radio or newspaper are mostly used by Kofola to complement the TV advertising. The company also uses billboards as a type of outdoor advertising. The customers can find these billboards mostly on public transportation stations. Kofola advertises its products mostly before Christmas and during the summer time because that's when it's most popular for consumers to drink the soda. Part of Kofola's promotion also includes their website, as they showcase their brand and different flavors for consumers to obtain more information about Kofola. People can also find information about this product through the company's links to their pages on social media.

Kofola also uses sale promotion in the restaurants and bars where the customers can buy this product. For example, there are drink coasters in restaurants with Kofola's logo. Additionally, there are small refrigerators behind the bar that have the Kofola logo all over it, which encourages customers to buy Kofola. There were also special promotions at bars in the past where customers had the chance to purchase 3 Kofola drinks and get the fourth drink for free.

This company also supports several summer festivals every year where they have interesting programs, which is usually combined with activities promoting the brand. Lastly, Kofola also sponsors many non-profit organizations and sport teams.

## MARKETING ACTIVITY COMPARISON

The largest difference between the marketing activities of Kofola and Dr. Pepper is that Kofola is heavily promoted within bars and restaurants, while Dr. Pepper does not have the opportunity to do the same in the United States because it's more common for alcoholic brands to reserve this space in bars and restaurants. Nonetheless, Dr. Pepper advertises in grocery stores, while Kofola does not. Although there are some differences, their use of social media is similar, as well as their utilization of TV advertising.

## SOCIAL MEDIA ANALYSIS

In order to analyze both Kofola and Dr. Pepper from a social media perspective, we will be analyzing their presence on the following platforms: Facebook, Instagram, Twitter and YouTube. To help conduct this analysis, we have utilized social media analytic tools such as Fanpage Karma<sup>6</sup> and LikeAlyzer<sup>7</sup>.

### DR. PEPPER

Dr. Pepper has a significant following on Facebook, which can be demonstrated by the fact that they have 2 million more fans than the largest player in the U.S. market, which is Coca-Cola. To

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<sup>6</sup> <http://www.fanpagekarma.com/>

<sup>7</sup> <http://likealyzer.com/>

put it into perspective, Dr. Pepper has 14,644,601 fans on Facebook. Based on our analysis of Dr. Pepper's performance on Facebook, we have gathered that their posts spark much more engagement and interaction than other players in the beverage industry. However, Dr. Pepper could improve their brand on Facebook by being more responsive to their users who interact with their page and respond in a quicker fashion. Currently, their average response time is 17 hours. Nonetheless, their longer response time results from the fact that they have more posts and create more engagement from their fans than other brand pages. Their Facebook posts consist of videos and photos to spark engagement with their fans, who definitely engage often.

Dr. Pepper has a less prominent presence on Instagram, relative to their following on Facebook. However, Dr. Pepper's fan base is very engaged and has an average engagement rate per post of 0.19%. By comparison, the average engagement rate is 0.088% on Instagram. Therefore, it can be concluded that their fans are very loyal and active on this platform. Even further, Dr. Pepper's following is growing at a fast rate of nearly 5%.

Dr. Pepper is not as successful at engaging with fans on Twitter, despite their continuous effort. Dr. Pepper averages 16 tweets per day, but fans engage only 0.081% of the time. In comparison, Dr. Pepper averages less than 1 post per day, but fans interact to their posts 0.032% of the time. They also have trouble responding in a timely manner and overall, similar to other channels, have an interesting way of handling complaints. They typically like to handle these discussions privately, so when customers complain publicly they will ask them to privately direct message the company. *(See part 4 of the Appendix to analyze how Dr. Pepper handled a complaint.)*

YouTube does not appear to be of high importance to Dr. Pepper, as they do not post many videos to their channel and has significantly less subscribers than other brands. With the rise in popularity of video content, this could be a platform for Dr. Pepper to explore strategies to grow in.

Lastly, the newest platform that Dr. Pepper has gotten involved with is Snapchat. There was actually a special filter that Dr. Pepper introduced on Snapchat for all users to interact with and paid for the filter similar to how they would pay for a TV advertisement. Ads on Snapchat are very expensive, but they allow brands to interact with users in a more personal way. A filter that Dr. Pepper introduced made users look like their new “Wave Rider” character that is featured in their newest advertising campaign. Prior to the “Wave Rider” filter, Dr. Pepper also released a Snapchat lens so that users could look like Larry Culpepper, the character created by Dr. Pepper for their football campaign. *(See part 5 of the Appendix to view examples of these filters.)*

## KOFOLA

There are several social media platforms which Kofola uses, similar to Dr. Pepper. All of these platforms are the same for their Czech Republic and Slovakia audiences. The most popular platform for Kofola is Facebook (in terms of fans). Following Facebook, the next most popular platforms are Youtube, Instagram and Twitter. *(Unlike the Dr. Pepper analysis, we were unable to obtain specific metrics related to Kofola’s activity on social media due to the fact that they have not been very active on social media in 2017.)*

The company has about 512,000 followers on Facebook, which is a lot in comparison to other soft drink brands from the Czech Republic. Based on our analysis of Kofola's performance on social media and as we mentioned earlier, we have found out that the activity of the company on Facebook is very low. They have not published any posts since December and the company has not responded to any comments from their fans recently. It slightly changed during the May when the company started to introduce their new advertising campaign. Their lack of involvement (from December to April) on Facebook may be caused by internal problems within the company, considering they published posts very frequently during the last year (2016). Even though the activity of Kofola has been very low recently, their fans keep posting content on the company's page almost every other day. However, the way Kofola responded to their fans' comments in the past is very unique and interesting. The voice of the brand is like the voice of the Kofola dog from their video advertisements, which is a funny language the dog speaks in because the dog has a lisp. *(See part 6 of the appendix to see a photo of this dog.)* The way they handle negative comments is also very special because they use a very different approach than other companies you may be familiar with, as they always respond to upset customers in a funny way. *(See part 7 of the Appendix to view an example displaying how Kofola responds to a negative comment.)*

Kofola is present on YouTube and has 21,381 subscribers who subscribe to their video advertisements. Most of the videos are stories about their popular dog who is considered the hero in a series of videos for one of their campaigns, which has been Kofola's most popular and successful advertisements. The most popular video in this series has more than 2,300,000 views,

which we have analyzed as a part of our survey. People also comment on Kofola’s videos and there are usually about 30 comments.

The Twitter page can be found under the name of the company KofolaCeskoSlovensko (KofolaCzechoSlovakia) since 2013. The problem with their Twitter page is that the posts are not focused only on Kofola beverage, but on all products of this company. For example, they share posts about their mineral water and juices. The activity on Twitter is very poor since Kofola only has 1,288 followers. As a result, their Tweets usually do not get any retweets or likes. The reason for this low activity is that Twitter is not very popular in the Czech Republic.

Nonetheless, Kofola has been active on Instagram since 2013. Kofola’s activity consists of 82 posts and 3,615 followers, which is higher than their Twitter following, but still very low compared to their Facebook. Their last Instagram post is from November 2016, also indicating that the lack of activity may be caused by internal problems. Kofola’s posts usually get about 80-250 likes and approximately 0-10 comments. Kofola’s photos on Instagram are usually from festivals or display some sort of friendship and love.

## SOCIAL MEDIA COMPARISON

		
Market Size	324,938,520	6,479,000
 Likes	14,644,601 <i><u>Profile</u></i>	512,604 <i><u>Profile</u></i>

 Followers	370,000 <i><u>Profile</u></i>	3,615 <i><u>Profile</u></i>
 Followers	422,228 <i><u>Profile</u></i>	1,288 <i><u>Profile</u></i>
 Subscribers	18,406 <i><u>Profile</u></i>	21,381 <i><u>Profile</u></i>

As you can see in the table above, it appears that Dr. Pepper has a larger audience on multiple social media platforms. Kofola is a very local brand to the Czech Republic and Slovakia, the market is proud of the brand and displays its loyalty to the brand by interacting with the brand on Facebook.

Although Dr. Pepper has more fans than Kofola on Facebook (14.6M vs. 511K) and a higher rate of post interaction (0.032% vs. 0.016%), it surprisingly takes longer for Kofola to respond to their fans than Dr. Pepper. On average, Dr. Pepper responds to fans in 17 hours, while Kofola takes 22 hours to respond.<sup>8</sup>

Larger percentage of Dr. Pepper's market follows them on Instagram and Twitter. This may result from the population's lack of interest of Twitter and Instagram within the Czech Republic and Slovakia, as these platforms are not as popular as they are in the United States.

Additionally, the number of fans on YouTube are greater for Kofola and therefore have a higher percentage of the market involved with them on YouTube. Amongst all the beverage brands in the Czech Republic, Kofola was at the top and outnumbered all of the other brands for the YouTube platform. However, Dr. Pepper was ranked #8 in the United States market for the top

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<sup>8</sup> <http://likealyzer.com/>

beverage brands on YouTube. *(See parts 8 and 9 in the Appendix to view the list of the top brands on YouTube for each country).* As a result, it is clear that YouTube is an important channel for Kofola as they have a significant amount of users subscribing to their channel, which signals success for the brand.

Another difference we found was that Dr. Pepper indeed utilizes Snapchat, while Kofola is not present on the platform. This is an interesting distinction because Snapchat is not popular in the Czech Republic and is in the very early stages of entering that market, so it would be very unusual if Kofola was present on that platform.

## **SURVEY DATA ANALYSIS**

We conducted two surveys to gain a basic understanding of the attitudes and preferences that respondents have toward either the Kofola brand or Dr. Pepper brand after watching one of the brand's video advertisements. Particularly, we sent one survey to 20 individuals from the United States with the Kofola commercial in order to understand whether the Kofola brand would be well-received in the United States given the message portrayed in the advertisement.

Additionally, we also surveyed a group of 20 people from the Czech Republic to also understand how the Dr. Pepper brand would be perceived amongst consumers who are outside of the brand's domestic country. The two surveys were identical, but the only differences was that one was for Kofola, while the other was positioned around Dr. Pepper. *(See part 10 in the Appendix to view the questions asked in these surveys.)* The Czech part of the survey was more difficult to do, because most of the time there was a personal assistance needed to translate and explain the content of the advertisement.

## DR. PEPPER VIDEO ADVERTISEMENT

The advertisement<sup>9</sup> for Dr. Pepper that was presented to the Czech respondents was for the Diet version of Dr. Pepper. The video features Lil' Sweet, who is a character created by Dr. Pepper particularly for the marketing of the Diet Dr. Pepper brand. There are a series of advertisements featuring Lil' Sweet, where he is known to pop-up in random situations and reward people for their hard work with a "sweet reward", which is none other than the treat of a sweet Diet Dr. Pepper. Specifically, the video presented in the survey featured two cowboys who were working on a ranch before Lil' Sweet appeared to reward them for their hard work with a Diet Dr. Pepper. The hero playing Lil' Sweet was Justin Guarini, who was the runner-up of season one of American Idol back in 2002.

## KOFOLA VIDEO ADVERTISEMENT

As mentioned earlier, the Kofola advertisement<sup>10</sup> presented to the Americans was the most popular video on Youtube for the brand. Kofola launched a prominent campaign where the main character was a funny dog who has a special accent. The dog always creates problems and he finds funny ways to solve these issues. These videos went very viral and people loved them. The video we presented in our survey was filmed in a very messy room, and the dog obviously was responsible for making a mess. However, when someone caught the dog in the act of trashing the room, the dog says that the fly came and made the mess. The dog's solution to this problem was to ask the audience if they want to drink Kofola in a very cute manner, and represents the idea that you can drink Kofola in every situation.

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<sup>9</sup> <https://www.youtube.com/watch?v=LQasaX4f-0c>

<sup>10</sup> <https://www.youtube.com/watch?v=CmA81-R3yLE&t=43s>

## SURVEY RESULTS

Based on the responses received, we gathered some interesting insights. We found that most Czech respondents thought the Dr. Pepper commercial was awkward (12%), but memorable (13%). Moreover, American respondents thought the Kofola commercial was funny (15%) and attention-grabbing (16%).

Overall, the Dr. Pepper commercial was not well-received by the Czech respondents. Specifically, 67% of Czech respondents said they would not consider purchasing a Dr. Pepper after viewing the commercial and 80% would not recommend the commercial to their friends. Furthermore, about 49% of the adjectives respondents used to describe the commercial had negative connotations (i.e. ordinary, boring, irritating, dull, insignificant).

Although Americans thought the Kofola commercial was funny and attention-grabbing, 65% of respondents said they would not consider purchasing Kofola after viewing the commercial. However, 40% would recommend the commercial to their friends and about 70% of the adjectives respondents used to describe the video had positive connotations. Based on the analysis of the open answers most of the American had problems to understand the dog. This issue was likely caused by translating this language of the original video, which was in Czech, to English.

A commonality we found was that both Czech and American respondents thought the commercials were uninformative. Therefore, we can claim that both advertisements were positioned to attract viewers based on their brand's personality rather than its product.

The biggest difference in this survey was that 40% of Americans would recommend the Kofola commercial to their friends, but only 20% of Czech people would do the same with the Dr. Pepper commercial. The next interesting result is that 30% of Americans thought the Kofola advertisement was better than other soda advertisements, while only 6% of Czech respondents thought so for Dr. Pepper.

## **TASTE-TEST ANALYSIS**

In addition to the online survey, we also conducted a taste-test by offering respondents in the United States a glass of Kofola, while offering respondents from the Czech Republic a glass of Dr. Pepper. The purpose of this taste-test was to see if individuals from opposite countries would enjoy the taste of the foreign soda enough that it would be considered a potential success outside of the domestic country.

Our method for conducting the taste-test involved three questions: Would you buy this soda? Would you buy this soda instead of Dr. Pepper or Kofola (depending on whether they were Czech or American)? What score would you give this soda on a 1 to 5 scale?

We asked these three questions to a group of 28 Americans and 27 Czech. The purpose of asking ‘Would you buy this soda instead of Dr. Pepper or Kofola’ was to see whether the respondents would prefer this foreign soda over a soda from their home country. If so, this would indicate that this foreign soda would definitely be a success in the new market. Furthermore, the reason we asked respondents to score the taste on a 1 to 5 scale was to see how much they liked the taste

of the soda. A score of a 5 meant that the soda was excellent and tasted very good, while a score of 1 meant that the soda was disgusting and the taste was unfavorable.

## TASTE-TEST RESULTS

Among the Americans who tried Kofola for the first time, we found that two persons gave Kofola a score of 1, eight people gave it a 2, twelve people gave Kofola a score of 3, five persons gave it a 4, and one scored it as a 5. As a result, the average score for Kofola was a 2.8.

On the opposite side, one Czech gave Dr. Pepper a score of 1, but 6 people gave it a score of 2, twelve gave it a 3 and 5 gave it a 4 and even one person gave it a 5. Subsequently, the average score for Dr. Pepper was 3.1.

Next, we asked American respondents whether they would purchase the drink instead of Dr. Pepper. Twenty-four people said they would not buy Kofola over Dr. Pepper, while four people said they would buy Kofola instead of Dr. Pepper. However, it is worthy to mention that most of the people who said they would buy Kofola instead of Dr. Pepper stated that they would buy it only because they do not like Dr. Pepper. Although these people said they would buy Kofola instead of Dr. Pepper, when asked if they would buy Kofola in general, they said they would not.

We also asked this same type of question to the Czech respondents, but they had to answer whether they would purchase Dr. Pepper instead of Kofola. Twenty-two people said that they would not buy Dr. Pepper over Kofola, while five people said they would choose Dr. Pepper instead of Kofola.

Our final question we asked, which was mentioned earlier, was if they would purchase the soft drink in general. We found that 86% of Americans would not buy Kofola. However, the Czech respondents showed a significant difference. The Czech respondents enjoyed Dr. Pepper enough that 59% said they would purchase the product.

An interesting fact we discovered was that Czech respondents believed the Dr. Pepper tasted very artificial and the American respondents also thought that Kofola tasted more natural. Some American respondents even mentioned that Kofola tasted like black licorice, which is flavored from the extract of the roots from the *Glycyrrhiza glabra* plant -- thus further emphasizing the idea that Kofola tasted more like nature.

## **CONCLUSION**

It was difficult to compare the video advertisements likely due to the language barriers. The Kofola video was translated to English, but the dog talked so quickly that it was hard for Americans to interpret it. When it was in its original form in the Czech language it was obvious for Czech people to realize the dog had a lisp. However, none of the respondents from America realized the dog talked so weirdly because he had a lisp. This was lost in translation, and if this was presented before viewing the video it could have helped the viewers to understand it better. However even if viewers became aware of this prior to seeing the video, it probably would not have made a difference. We believe most viewers would still remain confused about the connection between a dog and soft drink.

We believe Dr. Pepper has an opportunity to be successful in the Czech Republic, since half of the Czech respondents said that they would buy Dr. Pepper after they tasted it. However, the results from the survey after the Czech audience watched the video advertisement did not lead us to believe the brand could be successful in the foreign market. Since the video commercial presented for Dr. Pepper featured cowboys, which is a very American character, we believe this did not sit well with the Czech audience. Nonetheless, we feel strongly that Dr. Pepper could flourish in the Czech market if they adopt a more local advertising strategy.

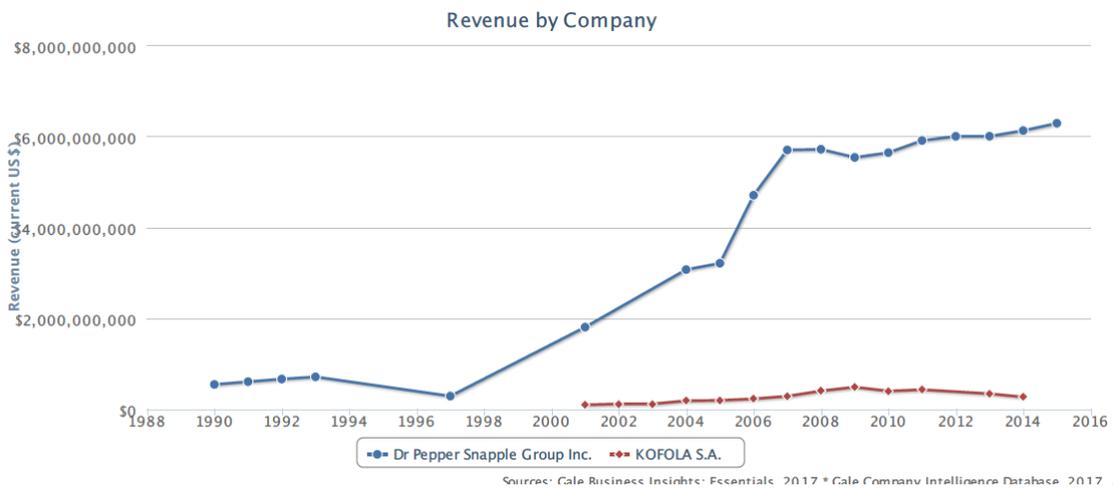
Lastly, we believe that Kofola would need to adapt their flavor in order to be successful in the United States. Since 86% of respondents said they would not buy Kofola after tasting the soda. However, the reason we believe there is potential for Kofola to prosper in the United States market is due to the reaction from Americans after they watched the Kofola commercial. As we mentioned earlier, 40% of Americans said they would recommend the Kofola advertisement to friends. Thus, Kofola could use the same standardized advertising approach in the U.S. and only adapt their product offerings to offer something that tastes slightly less natural.

# APPENDIX

## 1. Post Displaying Brand Strength in the South



## 2. Graph of Revenue by Company



### 3. Dr. Pepper's Media Spend

Dr Pepper - MEDIA SPEND BY CATEGORY								(Close)
CATEGORY	Q3 2016	Q2 2016	Q1 2016	CY 2015	CY 2014	CY 2013	Y/Y GROWTH	GRAPH
Cable TV	\$7,964,465	\$12,114,803	\$10,430,118	\$37,759,238	\$26,405,616	\$25,963,643	-19.20%	
Network TV	7,382,900	7,139,700	6,892,300	39,311,600	47,353,500	42,621,400	-45.53%	
Span Lang Net TV	2,979,600	3,131,300	0	8,300,800	12,206,100	6,537,300	-26.38%	
Magazines	1,539,527	110,227	582,200	3,691,033	4,489,592	2,205,986	-39.53%	
Outdoor	1,047,450	745,654	30,816	3,534,297	3,480,799	5,488,378	-48.39%	
Natl Spot Radio	437,060	46,410	44,860	1,443,417	905,582	397,086	-63.40%	
Spot TV	242,325	89,607	25,046	718,313	1,583,025	2,719,131	-50.30%	
US Internet - Display	191,363	25,770	2,646	526,822	1,599,612	2,352,055	-58.28%	
US Online Video	76,268	63,024	45,063	443,978	0	0	-58.48%	
Syndication	44,600	82,300	0	306,900	7,040,550	6,980,650	-58.65%	

(Only Top Ten Categories Listed)

\*Advertisers\* as defined by Kantar Media -- U.S. Media Spend only, measured by Kantar Media. May differ from REDBOOKS Ad Spend numbers due to spending for International, Sponsorships, Endorsements, Mobile, Franchisees, Licensees, etc.

### 4. Dr. Pepper Handling a Complaint on Twitter

**Bobby Virgen-Sims** @Bobbysims · Apr 25  
 Love diet @drpepper however I just bought 2 of the most foul tasting 2etter bottles I have ever had. Both have been poured down the drain.

**Dr Pepper** @drpepper  
 Replying to @Bobbysims  
 Hey Bobby! Send us a DM so we can help you out!

3:47 PM - 25 Apr 2017

**Bobby Virgen-Sims** @Bobbysims · 7h  
 Replying to @drpepper  
 I did never got a reply

## 5. Dr. Pepper's Snapchat Filters

 **Dr Pepper**  
April 17 at 9:54am · 🌐

Craving Dr Pepper? Sounds like a job for CraveRider ⚡️. Ride the wave we crave using his official Snapchat lens today 😁



199K Views

👍 Like    💬 Comment    ➦ Share

👍👍👍 772    Top Comments



Source: <https://twitter.com/drpepper/status/772089463690268672>

## 6. Kofola Dog



## 7. Kofola's Response on Facebook

 **Daniel Kochaníček**  
Tady jde vidět, že kofola jde do hajzlu, a to rychle. Meloun je úplně hnus, i ta broskev nebo merunka nebo co to bylo za blivajz. Klasická kofola ok. Takové chemické příchutě chutnají snad jen dětem, nebo nenormálním lidem.....cítíl jsem tu chemku v krku ještě další den. A když jsem šel v obchodě kolem balení melounovky, chtělo se mi blít. To asi není nejlepší, u něčeho co by mělo být oblíbené. Ale jo, asi vyděláte hodně když si to koupí pět lidí z česka.  
To se mi líbí ·  16 · [Odpovědět](#) · [Další](#) · 3. srpen 2016

 **Kofola**  
Chemifká příchut' ? To fe nemá pít i f tou flafkou, víf to, jo? 🤔

[Nikol Doub...](#) odpověděl(a) · [Zobrazit 16 odpovědí](#)

Translation: The man complains about the different flavours of Kofola. He thinks it tastes like chemicals. Kofola replies in a funny way: Flavour of chemicals? Do you know that you are not supposed to drink it with the bottle, right?

## 8. Top Beverage Brands on YouTube in United States

### YouTube Channels Stats in United States

		Subscribers	Total uploaded video views
1	 Red Bull	50 825	99 231 457
2	 brisk	9 794	43 553 418
3	 Lipton Tea - English	15 442	32 130 590
4	 vitaminwater®	24 569	27 134 546
5	 SanPellegrinoTV	6 239	22 803 708
6	 Gold Peak Tea	3 638	19 820 705
7	 drinksmartwater	2 811	11 375 032
8	 Dr Pepper	19 955	11 316 363

Source: <https://www.socialbakers.com/statistics/youtube/channels/united-states/brands/beverages/>

## 9. Top Beverage Brands on YouTube in Czech Republic

### YouTube Channels Stats in Czech Republic

		Subscribers	Total uploaded video views
1	 Kofola ČeskoSlovensko	21 309	27 402 440
2	 Mattoni	5 111	25 201 104
3	 Magnesia cz	7 993	21 951 262
4	 Jacobs CZ SK	906	6 614 114
5	 Aquila   Fruttimo   Veritea	1 984	5 390 970
6	 DzusyRelax	2 276	4 931 322
7	 NESCAFÉ CZSK	752	3 726 834
8	 CarteNoireCR	562	396 942

Source: <https://www.socialbakers.com/statistics/youtube/channels/czech-republic/brands/beverages/>

## 10. Questions asked in the Online Survey

Welcome! Thank you for agreeing to take this survey that measures the sentiment toward Dr. Pepper after viewing their 'Lil Sweet' commercial.

Before you begin the survey, please watch the 15 second commercial below.



Thanks for your help! Please click the arrow below to begin the survey.

>>

What is your impression of Dr. Pepper that you took away from this advertisement? Is this positive or negative?

What did you like about this ad?



If you had to describe this ad to a friend, which of the following words would you use?

(Please check all that apply.)

Attention-grabbing	Irritating
Awkward	Memorable
Boring	Ordinary
Dull	Pleasant
Energetic	Unique
Funny	Uninteresting
Educational	Uninformative
Insignificant	Warm-hearted

After viewing this ad, I would consider purchasing Dr. Pepper.

Agree

Somewhat agree

Somewhat disagree

Disagree

---

This advertisement is much better than other ads in the soft drink product category.

Agree

Somewhat agree

Somewhat disagree

Disagree

---

I would recommend this commercial to my friends.

Yes

No

# **Comparative analysis of branding for travel agencies**

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Karolína Formánková, Dylan Markelz

## Introduction of the project

This project compares the branding of two travel agencies. Our investigation will consist of a theoretical and practical part. The theoretical part will contain definitions of terms which are necessary to know for the orientation on the tourism market. The practical part will consist of our methods of comparing these two companies which involves analyzing their Facebook pages with Likealyzer and also their websites with method WebTop100 and Seo analyze. Also we did the research about branding through Youtube, branding through catalogues and ect...

Objects in this project are Livingstone - Czech Republic company, and Friendly planet - U.S company based out of Pennsylvania. While both companies offer exotic travel packages, each one has a unique set of offerings. Livingstone organizes exhibitions and different lectures for customers. Friendly Planet, on the other hand, puts together non-profit projects in foreign countries.

The goal is to find the ways how these companies could improve their branding.

## Theoretical part

In this part we will closer definitions of terms which are necessary to know for the orientation on the tourism market.

Tourism is defined as the activities of people identified as visitors. A visitor is someone who is making a visit to a main destination outside his/her usual environment for less than a year for any main purpose (including) holidays, leisure and recreation, business, health, education or other purpose. This scope is much wider than the traditional perception of tourists, which included only those travelling for leisure.

The tourism market is presented by global companies and also by small local companies.

On the national market we can define three types of tourism: market inwards, market pointing out and domestic market. On the tourism market operate different kinds of organizations: travel agency, tour operator, transport company, commercial accommodation facilities, catering facilities, socio - entertainment companies, amusement parks.

The key point for successful business in tourism is a knowledge of market typology of participants tourism market, a knowledge these types of participants, their behavior and purchasing decisions. Here are the types of participants of tourism market:

1. **Tourists** – discoverers, focus on knowledge and discoveries. Their journey usually takes several weeks.

2. **The mass tourists** usually include people with middle incomes.
3. **The elite tourists** whereabouts are staying longer period of time (sometimes weeks) and visits places around the world.
4. **Unusual tourists** interested in the primitive culture. Can one ton a form of ecotourism. Unusual tourists are target group for our travel agencies.
5. **Individual tourists** usually traveling alone or in small groups. All of the benefits of civilization wants a high standard for which they are willing to pay. Individual tourists are also aget group for our travel agencies
6. **Charter tourists** about the culture and people of the country into which they came, the slightest interest. These services are for them attached hotel. Their stay is usually short - from a long weekend in two weeks (Hesková, 2006)

Subject of tourism are participants of tourism. "Economically, it is anyone who meets their needs by consumption goods tourism while traveling and staying outside the place of permanent residence, and usually in their free time. In terms of statistics are involved in tourism passengers identified as a visitor, tourist or sightseer ." The subject is a demand and a consumer product.

Object of tourism is what may be the target of a tourist. It consists of final destination, businesses and institutions of tourism. The object is an offer.

Customer requirements are influenced by many factors (psychological, environment...).

Examples of such factors are:

1. Globalization (large customer mobility made mainly by air transport, development of the Internet and its use for online bookings)
2. Accessibility and speed (important when booking product in the place of residence)
3. Tendency to return to nature and tradition (offer of rural tourism, the use of regional traditions)
4. Hedonism and experience (customer desire something to see and experience, emphasis on originality, unique atmosphere, experience...)

Marketing mix from „4P“ extended on „8P“.

Marketing mix of tourism consists of : 1.) **Product\*** 2.) **Price\*** 3.) **Place \*** 4.) **Promotion\***  
5.) **People** 6.) **Partnership** 7.) **Packaging** 8.) **Programming** (str. [www.tourismsociety.org](http://www.tourismsociety.org))

\*1.) While creating a product in tourism is important to remember who the customer is, how he behaves and what he wants.

\* 2.) Price In practice, tourism usually applies two concepts of pricing, cost approach and market approach. Price size depends not only on cost but also on the market situation.

\*3.) Distribution of products/services can be direct and indirect. Indirect is represented by mediator (they buy and own goods, they take on the risks associated with the sale, loss and damage) or by intermediary (they do not own goods, work for commission). Example of mediator is travel agency and example of intermediary in this definition is tour operator.

\*4.) Ways of advertising which are connected with our travel agencies

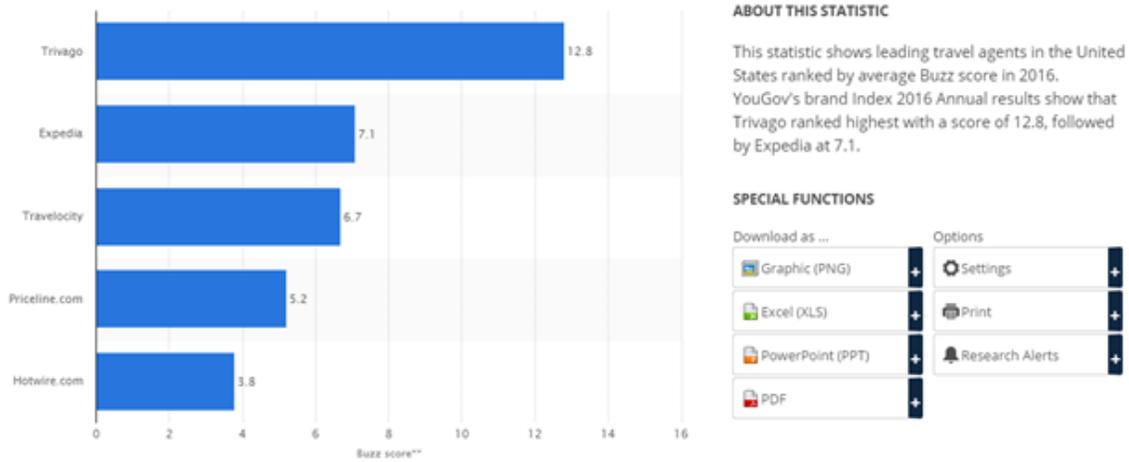
1. Personal sale
2. Direct marketing
3. Internet communication
4. Event marketing

## Practical part

We did desktop research to find out what Czech and American value in travelling. For imagination what people seek in travelling, and how the travel agencies should respond on this needs and promote themselves.

Based on the report from Luxe Report Vituoso between top travel trends for Americans belong even active and adventure tips, report also revealed that upscale travel is thriving as trips are selling out earlier than in past years. Many travelers are booking farther in advance, even one to two years for bigger trips. However for Americans use of travel agencies is not so popular they are used to buy the ticket maybe through search engines and then arrange the trip by themselves. What we can even see on statistic below (Pic.1 ), where the most leading travel agency is Trivago what is not even travel agency but an internet search engine specializing in comparing accommodation prices, so it represents tour operators.

## Leading travel agents in the United States in 2016, by buzz score\*



Pic. 1) Source: (<https://www.statista.com>,2017)

Key findings from the 2017 Virtuoso Luxe Report:

### Top Travel Trends

1. Multigenerational travel
2. Active or adventure trips
3. River cruising
4. Travel with immediate family
5. Celebration travel

### Top Emerging Destinations

1. Cuba
2. Iceland
3. Croatia
4. South Africa
5. Japan

### Top Endangered/Changing Destinations

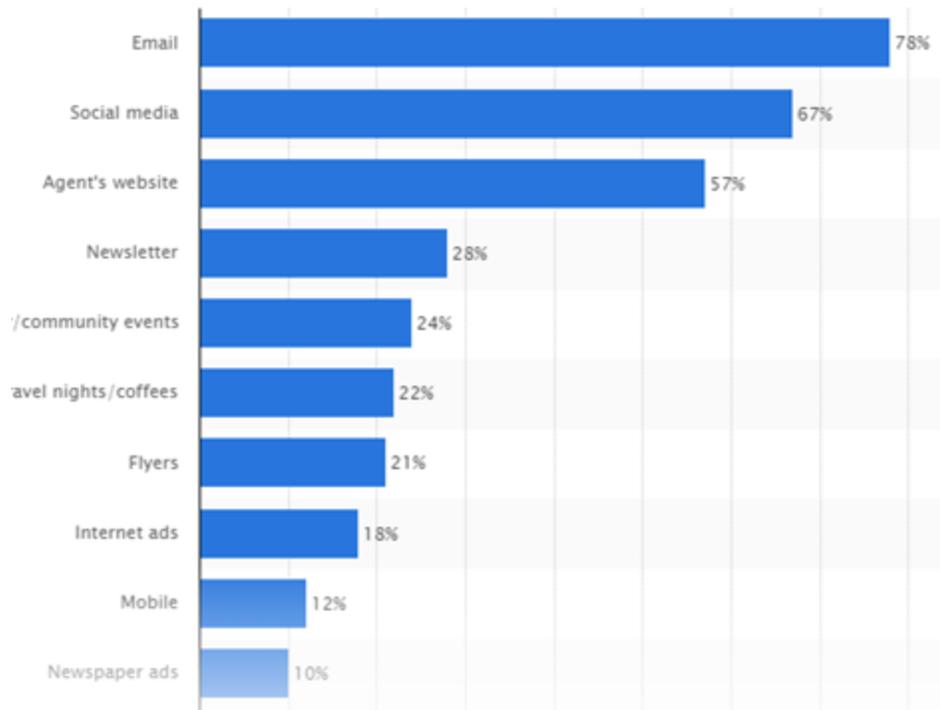
1. Cuba
2. Antarctica
3. Great Barrier Reef
4. Venice
5. The Arctic

### Top Adventure Destinations

1. South Africa
2. Galapagos Islands
3. Costa Rica
4. New Zealand
5. Peru/Iceland (tie)

Pic. 2) Source: (<http://www.prnewswire.com>, 2017)

In statistic below (Pic. 3) we can see ways of branding for American travel agencies. Czech travel agencies have similar representation in their branding with main differences: lower use of email, and bigger emphasis on newspapers ads and travel catalogues.



Pic. 3) Source: (<https://www.statista.com>,2017)

Czech people are used to travel with travel agencies more than Americans, specially to destinations as Greece, Croatia, Italy and others you can find in (Pic. 4). This fact we can see also on (Pic. 3) where all awarded companies are travel agencies.

**Výsledky TTG Travel Awards 2014**

**1. Pojišťovna s nejlepším cestovním pojištěním**

1. ERV Evropská Pojišťovna
2. Allianz pojišťovna
3. Uniqa pojišťovna

**2. Nejlepší cestovní kancelář pro dovolenou u moře**

1. Exim Tours
2. Fischer
3. Čedok

**3. Nejlepší cestovní kancelář pro zimní dovolenou**

1. NEV-DAMA
2. Neckermann
3. Alpina

Pic. 3) Source: (<http://www.ttg.cz>, 2017)

Destinace, u nichž klesá zájem turistů

- Egypt, Turecko, Tunis

Nové cíle cestovních kanceláří

- Finsko, ostrov Dominika, Etiopie, Omán, Spojené arabské emiráty, Kolumbie

Nejoblíbenější zahraniční destinace

- Řecko, Bulharsko, Chorvatsko, Itálie, Španělsko

Nejoblíbenější domácí cíle

- Český Krumlov, Lednice, Kostnice, chrám sv. Barbory v Kutné Hoře, Hluboká nad Vltavou, Karlštejn

Pic. 4) Source: (<http://www.businessinfo.cz> , 2017)

## Introduction of both travel agencies

### Livingstone

With Livingstone people have been travelling more than 23 years. They have headquarters in Brno and office in Prague. And this company is also in Slovenia. Managing director in Czech is Rudolf Švaříček he is also really known traveler in Czech Republic (he was with the dogsledding on polar circle, his domain are Himalayas, New Guinea and Indonesia). With him is also managing director Jitka Popelkova she is also co-founder and really big adventures.

They are really special travel agency. They have colourful activities as really successful exhibition Šangrila (The exhibition reveals the colorful country under the Himalayas: Nepal -TIBET - BHUTAN - INDIA. It is about the highest mountain in the world and an interesting life beneath them). They also for example organizes travel wednesdays, which really became hit between travelers in Czech.

Their credo is: Normal is boring. In year 2015 they were on third place in category The best travel agency for travelling to culture, adventures. They were awarded by TTG Travel Award. They also got award ,second and third place for The best tour operator for Africa and middle East. (www175)

## Friendly Planet

Friendly Planet Travel, founded in 1981 and based out of Jenkintown, Pennsylvania, is a travel agency that offers travel packages to a variety of foreign destinations away from the United States. Friendly Planet has received awards for their excellence in the travel business. For example, they have received an A+ with the Better Business Bureau and were also a 3-time Travelzoo Best Vacation Packager. To differentiate themselves, Friendly Planet boasts the variety of their packages that offer experiences and not just sightseeing. The company offers small and large group travel packages. Customers can also do independent packages that have no guides or touring schedule. They also boast that customers can customize any package to their liking.

Area that gives them good brand recognition is their “ways to save” button on the top of the home page. Having this up front for the customer to see shows them that they are willing to put the customer first and offer them available deals to places that may otherwise be too expensive to travel to. Having this visible right away can set the right tone for Friendly Planet with their customers.

Value is stressed here. The “Crown Collection” are luxury tours at attractive prices. They have a section called “Value Vacations.” “Independent” trips give you the flexibility to create your own vacation giving you all the value that you want. “Small group tours” are their easy and efficient ways of giving you value in a trip. You don’t have to plan anything. Everything is done for you.

**Awards:** A+ with Better Business Bureau

3-time Travelzoo Best Vacation Packager

3-time LAN Master Award Winner (www1716)

Israel Government Shalom Award Winner (www179)

# Methodology on websites

We decided to compare their mostly online marketing tools which they use for promoting based on these Analysis.

First of them is analyse of their website, by using method from czech competition WebTop100 accordingly these parametres :

4 Rating and their scales:

1. USER EXPERIENCE/ USABILITY (scale: 30 %)
2. GRAPHIC DESIGN (scale: 25 %)
3. TECHNICAL SOLUTION (scale: 20 %)
4. MARKETING with SEO analysis (scale: 25 %)

**Usability** – User benefits, clarity and comprehensibility (information architecture and texts), usability, persuasiveness

**Technical solution** – Display on mobile devices, microsite loading speed, error-free display

**Graphic design** – First impression, visual appeal, entertainment

**Marketing** - User engagement rate - Inserting / creating content, communication capabilities, interaction with the content of the operator or other users, The degree of user motivation to repeated visits / use, bookmarking, sharing positive experiences with friends, etc.

The main way of scoring In the evaluation, we are working with the following EVALUATION STEP based on evaluation in competition WebTop100.

Then the feedback appears: EXCELLENT AND INSPIRATIVELY SOLVED (= 4 POINTS) - the feedback describes what the project from the viewpoint of the evaluated area contains an exceptional and inspirational EXCELLENT SOLUTION (= 3 POINTS) - in the feedback are the reasons why the judge's project considers (= 2 POINTS) - in the feedback there is described the direction in which the project could be further improved and the reasons why the project could be further improved. (= 1 POINTS) - Major issues are listed and justified in the feedback and recommended improvements / correction options CRITICAL PROBLEMS (= 0 POINTS) - Major issues are listed in the feedback and recommended enhancement / repair options (www1716)

We chose to compare the travel agencies through this analyse because we think the internet is in nowadays the most effective form of promotion. And on website visitor creates the first impression during the first 8 seconds so this analyse can help improve them their first impression.

## Analyse WebTop100 Livingstone

### Usability

- **Logo** - is located at the top left. It is on the same place as on the home page as well as on other sites. Double click on the logo brings us back to the home page. (5 points)
- **Languages** - unfortunately this site is available just in czech, if they would add english they could expand their potential target group.(2 points)
- **Information Architecture** – The information blocks appear to be properly selected and quite clear(destination where you can go with Livingstone). Under main information blocks we can find all information what customer need about this company. At the top of the site is link to social media (Facebook), email and phone number on hotline. (5 points)



Pic. 5) [www.livingstone.cz](http://www.livingstone.cz), 2017

**Navigation** - The menu is clear and functional.(5 points)

**Search** - On the site Livingstone.cz can be searched any service in which the customer is interested. Search is located at the top right.(5 points)

## Graphic design



Pic. 6) [www.livingstone.cz](http://www.livingstone.cz), 2017

- Web pages are processed graphically very nice, modern and transparent at first impression. The homepage is constantly updated with news. The site is clear and consistent. The site is made up of red and yellow colors. These colors inspire adventure, adrenaline (red) and the comfort and warmth (yellow).
- In the background are rotated photos from their journeys, which allure the site-visitors
- The first impression (5 points)
- Effectiveness Graphics – all together clear (4 points)
- Consistency (5 points)
- Legibility (5 points)
- Creativity (4 points)

## Technical solution

- Date demands on page is nearly optimal (4 points)
- It is fully compatible with all browsers - Tested on: Internet Explorer, Mozilla Firefox, Google Chrome, Opera, Safari (5 points)
- Mobile version exists (5 points)

## Marketing

- Page has convincingly enough references and well-chosen words (5 points)
- Domain has a memorable and relevant form. (5 points)

- The website is not easily found through the relevant keywords on Google, as exotic holidays, exotic but safe, (2 points)
- On the page is not many multimedial elements (3 bodů)
- On the page is possible to communicate, ask questions, contribute, give a feedback, also is possible communicate through email. At the top left is link to Fb but unfortunately it is not working. (4 points)

## SEO Analysis

The screenshot shows the 'Analyza zdrojového kódu' (Source Code Analysis) page on seo.servis.cz. The main content area displays the following information:

- Adresa:** [www.livingstone.cz/](http://www.livingstone.cz/)
- Datum testování:** 14. 02. 2017
- Celkové hodnocení:** 77 %

The 'Popisné informace' (Descriptive Information) table is as follows:

Titulek	Livingstone - Poznávací zájezdy - Afrika - Asie - Amerika - Austrálie - Antarktida
Popis	Poznávací zájezdy, safari a expedice! Nejlepší nabídka právě exotiky! Cestujeme v malých skupinkách, zájezd vede zkušený průvodce.
Klíčová slova	livingstone, exotika, poznávací, zájezd, cestování, cestovní, kancelář, expedice, asie, afrika, amerika, austrálie, antarktida <i>Příliš mnoho klíčových slov</i>
Meta robots	index, follow
Autor	Adaptic, s. r. o. - Internetová řešení podle vašich potřeb; <a href="http://www.adaptic.cz">www.adaptic.cz</a>
robots.txt	Existuje
Sitemap	Neexistuje

On the left side, there is a list of 'Z VÝSLEDKŮ TESTŮ' (From Test Results) showing various website URLs and their scores, such as 'masazni-kresta.net' (100) and 'shopiq.cz' (100).

Pic. 7) [www.seoservis.cz](http://www.seoservis.cz), 2017

- Evaluation of website seo.servis.cz is 77%
- Source code slightly exceeds the optimal size.
- Page 3 contains html errors. Page should be valid and without errors, otherwise it may not display correctly for users.
- Too many keywords (Livingstone, exotica, sightseeing, tours, travel, travel, office, dispatch, Asia, Africa, America, Australia, Antarctica)- But I see that as positive aspect for company.
- Number of links on this page: 181
- Number of links to external sources: 16

## Analyse WebTop100 for Friendly Planet

### Usability

**Logo** – Located in the top left like most other sites. Linked to the homepage.(5 points)

**Languages** – This site is only available in English. They do not have any “destinations” in the USA, so I think it is safe to assume that their target market is US citizens. (5 points)

**Information Architecture** – The information block has everything that a potential user of the service would want to know. Destinations, packages, groups, ways to save, about us, FAQ. They have social media links all the way at the bottom and they are easily overlooked. (3 points)

**Navigation** – Everything is clearly defined and straight to the point. It is easy to navigate to the section you are looking for. (5 points)

**Search** – Search bar in the upper right hand corner of the webpage. (5 points)

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### Graphic design

Very standard website. The variations of blue make it pleasing to the eye. All of the pictures of the destinations make it appealing to look at and to want to learn more. The different packages and destinations are cycled through on a carousel.

**First impression:** 5 points

**Effectiveness of the graphics** – 4 points (sometimes a little overwhelming)

**Consistency** – 5 points

**Legibility** – 5 points

**Creativity** – 4 points

---

### Technical solution

- Date demands on page is nearly optimal (4 points)
- It is fully compatible with all browsers -Tested on: Internet Explorer, Mozilla Firefox, Google Chrome, Opera, Safari (5 points)

- Mobile version exists (5 points)

## Marketing

- Page has convincingly enough references and well-chosen words (5 points)
- Domain has a memorable and relevant form. (5 points)
- The website is not easily found through the relevant keywords on Google, as exotic holidays, exotic but safe (2 points)
- On the page has to many multimedial elements (3 points )
- On the page is possible to communicate, ask questions, contribute,give a feedback, also is possible communicate through email. At the lower left corner links to Fb, Instagram which are working. (5 points)

## SEO Analyse

The screenshot shows a source code analysis tool for the website [seo-servis.cz](http://seo-servis.cz). The tool displays a list of 173 HTML errors on the left and a summary of the analysis on the right. The summary shows a score of 58% and includes details about the page title, description, meta robots, author, and sitemap. A large pink '58' is overlaid on the summary.

**Analýza zdrojového kódu**  
 Adresa: [www.friendlyplanet.com/](http://www.friendlyplanet.com/)  
 • Datum testování: 2. 03. 2017  
 • Celkové hodnocení: 58 %

**Popisné informace**

Titulek	Friendly Planet Travel
Popis	Upoznějte pouzemejz at an amazing value, delivered with the same warm, caring personal attention we've offered for 35 years. Discover your next adventure.
Klíčová slova	Nevyplněno
Meta robots	
Autor	Nevyplněno
robots.txt	Existuje
Sitemap	Neexistuje

**Hlavička dokumentu**

- ✓ Deklarovaná definice typu dokumentu (DTD) XHTML 1.0 Transitional.
- ✓ Deklarace znakové sady UTF-8.
- ✓ Titulek stránky je správně vyplněn.
- ✓ Popisek stránky je správně vyplněn.

Pic. 8) [www.seoservis.cz](http://www.seoservis.cz), 2017

- Evaluation of website seoservis.cz is 58%
- Source code is too large. Too large page burdens search by downloading redundant data, and then is difficult for search to determine which part of content is relevant.
- Page contains 173 html errors. Page should be valid and without errors, otherwise it may not display correctly for users
- And accordingly Seo service friendlyplanet.com have not filled a keywords, which help page to be more visible for the users who search these or similar words.

# Methodology on Facebook

Facebook is a vast social web-based system founded 4. 2. 2004 is used primarily for the production of social networks, communications between users, multimedia data sharing, maintaining relationships and entertainment.

The trend of this time is use Facebook for promotion companies, specially for the travel agency can well run campaign really influence the success.

We chose Likealyzer for their comparing - which is one of the freely available tools with a lot of useful information about Facebook from Meltwater.

## Facebook - Livingstone



Pic. 9) [www.facebook.cz](http://www.facebook.cz) ,2017

- 2 419 - Is a total amount of people who like the page.
- On the page are not updates in section events, but they are on the main page.
- You can choose there, that you will be alarmed about new offers.
- Accordingly LikeAlyzer is their facebook page compare to similar companies in average with their Like rate.
- Anyone can post on the main page, but in last month noone add contribution on their page.
- Their timing for posts is perfect.

- Number of posts per day is 0,61.
- In category Travel Company which are located in Czech Republic is Livingstone on 8. place

### Recommendations from LikeAlyzer:

They should publish posts more often and create more engaging posts

They should ask more questions to their fans.

They should encourage their fans to ask more questions for them to answer.

Our advice would be add some of videos from exotic journeys which Livingstone made, maybe create competition for the best one where the customers would add on FB video from expedition with Livingstone and the winner could get for example free tickets for travel wednesday in Prague.

With right targeting and the right idea the campaign has big potential because travel agency can show catchy photos from their journeys and videos, people can share there their experience or ask for recommendation.

And also we would recommend set up profile on Instagram.

### Facebook- Friendly Planet

The screenshot displays the Facebook page for 'Friendly Planet Travel'. The profile picture is a globe. The page name is 'Friendly Planet Travel' with the handle '@FriendlyPlanetTravel'. A navigation menu on the left includes 'Hlavní stránka', 'Příspěvky', 'Instagram', 'Pinterest', 'Twitter', 'YouTube', 'Get Hot Deals!', and 'Fotky'. The main content area shows a post from 'Friendly Planet Travel' asking 'Are you ready for an Iceland adventure?' accompanied by a photo of two children in a hot spring. The post text reads: 'Iceland: 5 days from \$899, airfare included! As part of our Memorial Day Sale save up to \$400 until May 31. FRIENDLYPLANET.COM'. The right sidebar contains contact details: '+1 800-555-5705', 'Obvykle odpoví: během jednoho dne', 'Contact Friendly Planet Travel on Messenger', 'friendlyplanet.com', and 'Cestovní kancelář · Cestovní agentura · Cestovr'. It also shows a 5-star rating and 58,914 likes, and recommends 'Overseas Adventure Travel' and 'Go Ahead Tours'.

Pic. 10) [www.facebook.cz](http://www.facebook.cz), 2017

- Pretty active on Twitter/Facebook. Update both regularly with the same content.
- 58,000 likes on Facebook. 11,000 Followers on twitter.
- Post about #FanPhoto to show that they are engaged with their customers. Valuing the customers experience.
- 2.1 posts per day, but the timing is way off.
- They compare well with pages in their average like range, in the tour agency, and similar brands.
- Ranked 18<sup>th</sup> compared to similar brands
- Engagement rate is 0.47% Not good.

---

**Recommendations:** Basically the same as for Livingstone, Create a Facebook campaign in order to gain more likes for example the photo-travel competitions. Or do something similar as they have done in past as you can read below.

## Strategic successful campaign

“With a limited advertising budget, the company wanted a cost-effective means to increase its visibility and brand awareness, build a community of engaged travelers, educate fans about special deals and offerings, and unleash the passion of their legions of satisfied travelers to inform and excite others to Friendly Planet.”

### SOLUTION

Gregory FCA conceived of a strategic campaign: “Win the World” was designed to leverage Facebook’s open API and allow Friendly Planet Travel to host sweepstakes within its company pages on a shoestring budget. These series of sweepstakes awarded six all-inclusive dream vacations for two to some of the world’s most exotic and desirable locations. Each sweepstakes was monitored daily through posts, commenting, and likes.

Gregory FCA surrounded the sweepstakes launch with an aggressive traditional media relations campaign, targeting top tier media, travel websites, and travel writers and bloggers.

### RESULTS

Gregory FCA secured exposure in top tier media outlets, blogs, and industry trade publications such as The New York Times, USA Today, The Chicago Tribune, Huffington

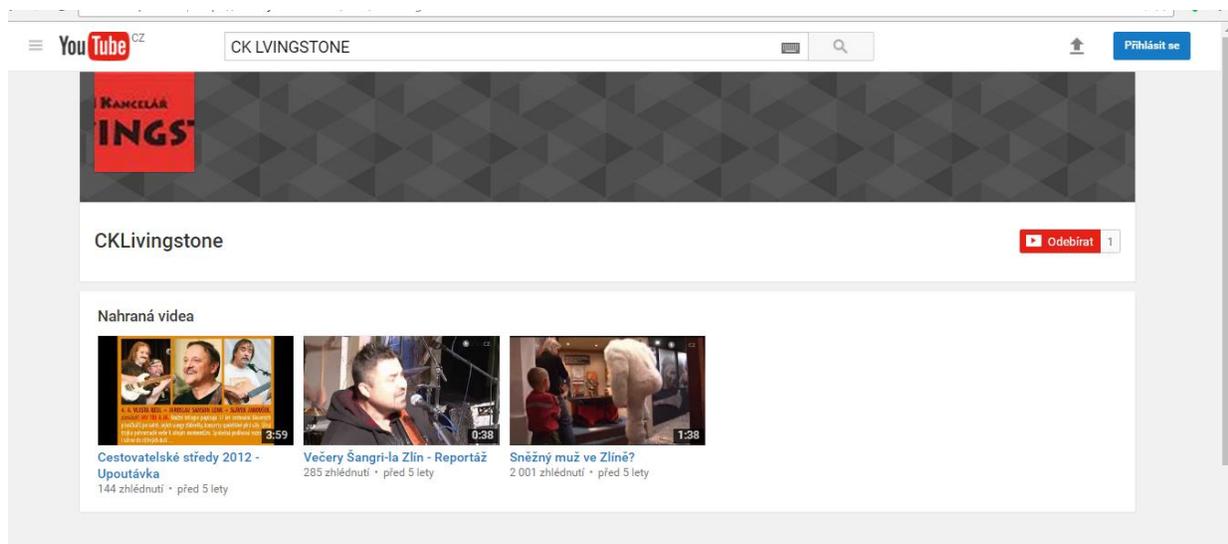
Post, ABC News, The Los Angeles Times, About.com, Deals4Dummies.com, Smarter Travel, and more. Sweepstakes sites alone exposed the brand to more than 9.6 million unique monthly viewers, and the Facebook page now boasts a community of more than 53,000 (from its start of 1,500), giving it a larger presence on the platform than AOL Travel, Gadling, and Smarter Travel.

The word of mouth marketing objective was achieved with over 200 positive testimonials from customers. Media coverage, coupled with Gregory FCA's aggressive marketing tactics, helped increase Friendly Planet Travel's Facebook fans by more than 14,000 in the first 90 days alone while concurrently expanding the company's email database. User engagement rose dramatically and has remained high, from a baseline of 1,200/month prior to the initial sweepstakes, to an average of 9,652 monthly engaged users one year later. (str. www.gregoryfca.com)

## BRANDING through YOUTUBE

### Livingstone

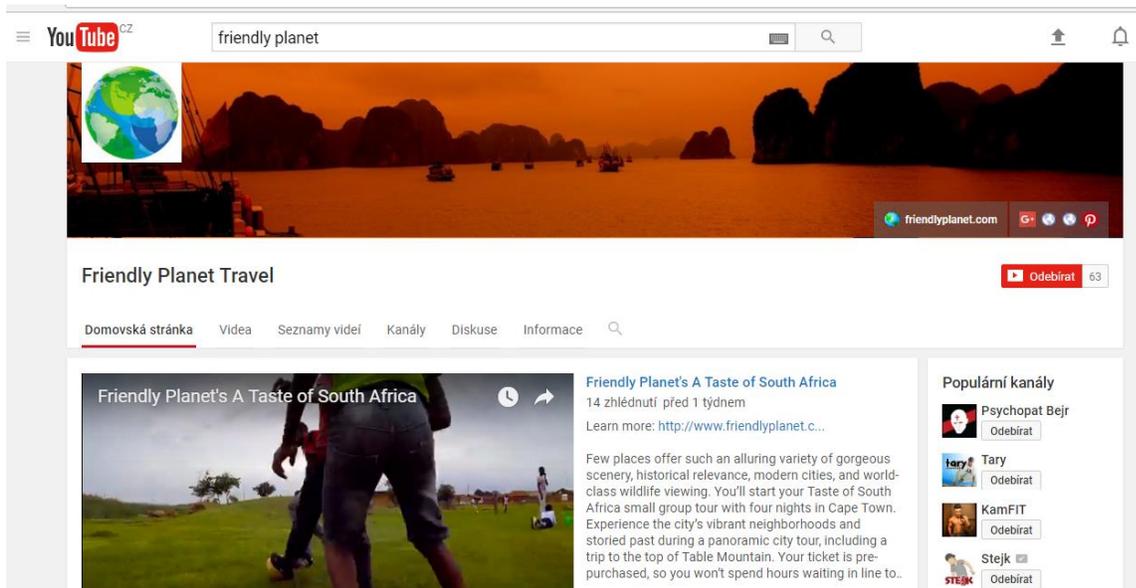
Although travel agency Livingstone has created account on Youtube, they are not using the potential of this site at all. They do not have any trailer about their company, about their vision, mission or any video from their journeys. We only can find on Youtube few videos from travel wednesday which is one of the secondary activities which Livingstone organizes. They have just 15 subscribers for now. Videa are not up to date, the newest one is 2 years old.



Pic. 11) [www.youtube.com](http://www.youtube.com), 2017

## Friendly Planet

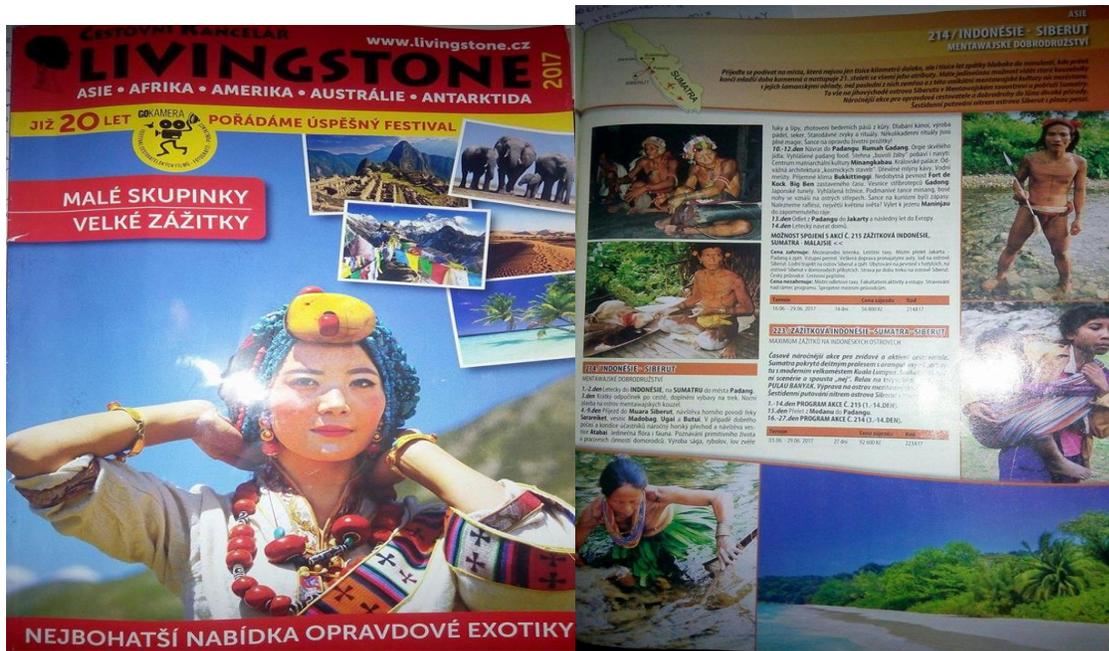
Friendly Planet is not using YouTube to their advantage. With only 62 subscribers and under 2,000 views on the channel, they are missing out on a lot of branding through such a big outlet. To differentiate themselves and show how their variety is better than other travel agencies, they need to utilize videos to show their exotic destinations and packages. By underutilizing this outlet, other travel agencies can take advantage through more branding, especially with a free outlet such as Youtube.



Pic. 12) [www.youtube.com](http://www.youtube.com) ,2017

# Branding through catalog and blogs

## Livingstone



Pic. 12) Livingstone´s catalog, 2017

Livingstone does not have blog but they do have paper catalog. Already from the cover page we find out that Livingstone offers exotic tours. On the cover page we can see into which continents Livingstone organizes the tours, also is here mentioned that they travel in a small groups. As the added value are here mentioned great experiences. We really like the design of catalog, well chosen colours (red- adventure, yellow-new change) also well chosen photos to evoke the atmosphere.

Product of this catalog is mix of services, travel insurance ERV European insurance company - one of the best on the market, service of guide - who are experienced travelers (in the catalog are photos of all of them with their personal description), secured accommodation (even huts in the jungle).

Price range of tours is in average circa from 2030 euro to 5070 euro. But we can also find offer for 25 150 euro to North Pole for 14 days.

They are unique on Czech market there is no Czech travel agency which would offer at least similar tours to Indonesia, to jungles around the world, to extreme tour to mountains, North

Pole ect.with so experienced guide with local friends in the final destinations. So catalog with photo from these destination is really appreciate it by their customers, they offer it also during their event marketing (exhibitions, festivals ect.)

## Friendly Planet

Friendly Planet has just an online cataloge on their website but their also run blog there.

To get prospective customers to commit to travel packages, writers produce content to show what kind of cultures there are to discover. For example, here are three different titles: Namibia in Photos, 10 foods to try in Singapore, and Explore Ireland through its literature. Through these blog posts, Friendly Planet can show how much there is to see out there in the world. By also having these blogs on their website, anyone reading these will probably be more likely to view the rest of the content on the website.

The screenshot shows a travel itinerary for two days. Day 5 is titled 'Rhodes' and includes breakfast, lunch, and dinner. The itinerary for Day 5 consists of a half-day medieval tour of Lindos and the remainder of the day at leisure to explore the Greek island of Rhodes. A 'Full Day Itinerary' button is visible. Day 6 is titled 'Heraklion & Santorini' and also includes breakfast, lunch, and dinner. The itinerary for Day 6 starts with morning leisure in Crete, followed by a half-day sightseeing tour of Oia Village in Santorini. A 'Full Day Itinerary' button is also present. The itinerary for Day 6 includes a detailed description of the Palace of Knossos, Crete, and a photo of the ruins. It also includes a description of the open air market in Heraklion and a photo of Friendly Planet travelers in Santorini.

**DAY 5** **Rhodes**  
🍴 Breakfast, lunch & dinner.

- Half day medieval tour of Lindos
- Remainder of day at leisure to explore the Greek island of Rhodes

Full Day Itinerary

**DAY 6** **Heraklion & Santorini**  
🍴 Breakfast, lunch & dinner.

- Morning at leisure in Crete
- Half day sightseeing tour of Oia Village in Santorini

Full Day Itinerary

 Arrive in Heraklion early this morning. An optional shore excursion will take you to see the ruins of Knossos, the ceremonial and political center of the Minoan civilization on Crete, just five kilometers from Heraklion city center. The palace at Knossos was an intricate collection of over 1000 interlocking rooms, used as a religious and administrative center, as well as for workshops for artisans and food processing. The ruins have largely been excavated and much of them colorfully painted and restored.

Back in Heraklion, the open air market is a must-see, where a boisterous crowd buys and sells everything from goats and sheep to huge cauldrons of fresh yogurt. Other points of interest here include the Archaeological Museum, one of the finest in Greece, housing exquisite findings from Knossos and other Minoan ruins, numerous Venetian fortresses, fountains and loggias scattered throughout the city and the Historical Museum of Crete, with its Byzantine and folklore collections.

Return to the ship to continue sailing to Santorini. This striking island is a volcanic crater immersed in the sea. The island is famous for its breathtaking and rugged landscapes, whitewashed houses, open-air cafes and glittering boutiques which cling to steep cliffs, accessible by foot, cable car or mule. Enjoy an included half day of sightseeing which will begin with a scenic drive where you will have the unique opportunity to admire the panoramic view of the Aegean Sea and the

 Friendly Planet travelers in Santorini

Pic. 13) <http://www.friendlyplanet.com/> ,2017

## Recommendation/Summary

Here is summary of the main recommendations resulting from our analyzes and research.

- Both companies should improve search keywords thanks to that they won't be so down in the browser, pay for SEO advertising would increase their competitiveness.
- Both companies should put bigger presence on social media as they do not use their potential. Especially Livingstone which could for example try similar company as Friendly Planet have tried and also we would recommend to Livingstone create profile on Instagram.
- Livingstone should create real Youtube channel and Friendly Planet extend the content on their Youtube channel.
- For improving Friendly Planet website: reduce source code, be available for online customers longer than 9:30-6, remove html errors.
- For improving Livingstone website: add different language (English), repair button on Facebook, add some multimedial elements.

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# **The Use of Corporate Social Responsibility in Branding Strategy**

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## **Introduction**

This case study is focused on Corporate Social Responsibility (CSR) in the modern globalized world and its impact on corporate branding strategy in different parts of the world. By being socially responsible, a company considers the impact that its actions have on the society, consumers, economy, ecology and employees. In today's world, the practice of social responsibility draws much more attention from common consumers due to the current environmental state of the planet, increased awareness of financial and practical dishonesty, and the increased awareness toward social and societal equal by focusing on female and minority workers. The customers have become more conscious of the products and services that they are consuming, encouraging organizations to incorporate the use of CSR into their branding strategy to attempt to build and maintain consumer brand loyalty in a highly competitive global market.

This study will have a concentration on the use of CSR in the brewing industry, choosing two Czech samples and two US samples to compare the subject matter and brand orientation in both Czech Republic and United States. The objective of this paper is to briefly introduce the companies of focus, analyze their branding actions and social stance, and compare how the use of corporate social responsibility is similar or how it varies between the Czech Republic and the US in order to draw a final conclusion.

Divided into two different portions, this case study looks to examine a theoretical focus to implement the concepts into a practical analysis. The theoretical part outlines the definitions of the terms CSR and triple bottom line to explain the environmental, social and economic responsibilities and advantages in the use CSR. In the practical section we will analyze the CSR practices of the four companies chosen to focus on through the use of annual reports and information published on company websites: Plzeňský Prazdroj, Staropramen, MillerCoors and MKE. The last section of this study compares the CSR practices of breweries in the Czech Republic and in the US, including certain recommendations for potential improvement in CSR practice and branding.

# 1 Theoretical Framework

## 1.1 Corporate Social Responsibility

When a company is socially responsible it considers the impact that its actions have on the society, consumers, economy, environment, and employees. In the modern world, the practice of social responsibility is more commonly recognized by consumers and has a larger weight in the decision-making process of consumption than it has in previous decades. Companies have started to realize that being socially responsible will not bring them simply social recognition and environmental awards, but it can also establish better relationships with its stakeholders using the triple bottom line by improving economic performance, integrating economic responsibility into their branding strategy, and possessing high levels of concern for their employees.

Many authors and sources have defined corporate social responsibility, with the general definition being ethical practice focusing on economic, social, and environmental performance, but no two definitions were identical, therefore several definitions are listed below.

*"Corporate social responsibility is a continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large."*  
(World Business Council for Suitable Development, 2000)

*"Open and transparent business practices based on ethical values and respect for employees, communities and the environment, which will contribute to sustainable business success."* (IBLF, 2003)

CSR is most frequently defined as a voluntary commitment of companies to maximize its positive and minimize its negative influence on society without compromising the economic success. (Commission of the European Communities, 2001)

Globalization has brought more opportunities and benefits for companies, but it also makes them adapt to new challenges. Globalization to a great extent promotes corporate social responsibility all over the world, it makes the society and organizations recognize

and understand the negative consequences, such as the child labor, inequality of rights and environmental unsustainability. (Thompson, 2002)

## 1.2 Carrol's Pyramid of CSR

Archie Carrol (1991) organized corporate social responsibilities as a four layer pyramid model (Figure 1). The Pyramid of CSR is divided into four layers that represent four types of responsibilities: economic, legal, ethical and philanthropic responsibilities. Carrol illustrates that the fundamental focus is economic responsibility – to produce the goods and services that the society wants and which are possible to be sold with a profit. The legal responsibility is to perform the business tasks within the law. Employment, environmental protection, corruption, human rights as well as production and product safety fall with the concentration of legal responsibility. Being ethically responsible in Carrol's model means doing what is right and fair even though the legal frame does not force the companies to be ethical. The top layer of the Carrol's pyramid belongs to the philanthropic responsibility which is being a good corporate citizen. This focus of responsibility relates to the quality of life improvement, contribution of resources to the community, support for NGOs, donations and volunteering.

**Figure 1: Carrol's Pyramid**



*Source: own compilation according to Carrol 1991*

## 1.3 Triple Bottom Line

Sustainable development means the ability to retain the high quality of life for the current as well as the future generation (World Commission on Environment and Development, 1987). The measurement for sustainability is the triple bottom line, a concept that incorporates three dimensions of performance: social, environmental and financial (Figure 2) and so covers the 3 main fields: profit, planet and people (Elkington, 1997). Focusing a branding strategy on the triple bottom line is a sustainability strategy that is looking to become a new social norm.

**Figure 2: Sustainability**



*Source: sustainability.autodesk.com, 2017*

### 1.3.1 Economic Responsibility

Economic performance has always been a core component of the business decision-making process. Economic responsibility is a crucial aspect of the business code of conduct, encouraging companies to observe principles such as corruption prevention, transparency, intellectual property protection, and maintaining good relationships with business partners, shareholders, and clients. (Pavlík, Bělčík, 2010)

To assure the loyalty of its consumers and other brand supporters, the company has to distinguish its brand focus and orientation from the competition and meet the expectations and needs of consumers. The key feature is the ability to maintain positive two-way communication with the stakeholders by staying committed to the goal of maximizing total stakeholder value.

Company policy should ensure ethical behavior and provision of clear and accurate information about business practice. It is another key concept within the practice of economic responsibility. Other activities that belong in the subset of economic responsibility are in-time invoice payments, well-kept business records, constructive answers to consumer and stakeholder suggestions and complaints, and collaboration with other corporations in the community. The observance of business ethics and responsibility in marketing and advertisement is the best way for a company to convey its focus to the public, which forces companies to avoid deceptive advertising, providing incomplete information, and targeting vulnerable social or cultural groups.

### **1.3.2 Social Responsibility**

Another key component of the concept of triple bottom line is the focus of positively impacting the people within the community that may work for the company or who are affected by the company in any direct or indirect fashion (stakeholders). Business focus of the 21<sup>st</sup> has adopted a powerful focus toward need satisfaction of the previously addressed shareholders, creating a strong connection between the company and its employees and the public consumers. If an employee is not satisfied, they may not perform to their highest potential which will have a cost to the company, which could impact the production process and affect the consumer's perception of the brand. This makes social awareness and responsibility important in overall business practice. Social responsibility can be divided into two subsets, the internal (employees) and the external (stakeholders) that must simultaneously respect human rights and observe the working standards. (Pavlík, Bělčík, 2010)

As referenced above, creating a positive and accepting work environment will result in positive employee performance to benefit the overall performance of a company. Company policy that advocates for workplace diversity and the satisfaction of employees looks to employ men, women, elders, fresh college graduates, disabled workers, and minority workers, to encourage corporate creativity with the goal being growth in the company or relative to the industry. People have always been driven by money, however non-financial benefits have shown they lead to higher productivity by engaging employees in decision making through lifelong learning, personal development, continuous training, work-life balance, flexible working hours, and

outplacement that establish loyalty and a strong company-employee bond. (Prskavcová, 2008)

The external part includes the involvement of stakeholders in business operations and philanthropy within the regional or local community. Examples of corporate philanthropy include, but is not limited to, infrastructure development, sponsoring of a school, sports team or cultural event, or donating to charitable organizations. This cooperation with the nonprofit sector in plays an impactful role in the social responsibility, which can be exhibited through direct support, financial and nonfinancial donation, fund or foundation creation, long-term partnership, or cause-related marketing, which means that by buying a product a customer will bolster a chosen charity (Adkins, 1999). The overarching theme in social responsibility is the well-being of the people that may be impacted by company practice, consumers, employees, and other stakeholders, without the use of discrimination.

### **1.3.3 Environmental Responsibility**

The concept of a natural capital has become a societal focus as people start to realize that the resources they take for granted might not be around forever. Because of the commonly perceived trend that the status of the environment is becoming, governmental policies and regulations and the social and environmental stance of global corporations are driving the social norm towards the practice of environmental responsibility within the idea of the triple bottom line. The norms and standards companies are beginning to passionately acknowledge are ISO (International Organization for Standardization) and EMAS (Eco-management and Audit scheme), influencing corporate decision-making respect of the modern ecological and environmental issues. The idea of norms and standards will be at the forefront of the analysis between the individual companies and the countries in which they reside as this comparison continues between US and Czech practices.

The crucial components of environmental responsibility are elimination of waste and emissions and the maintenance of efficiency and productivity of resources, because environmental responsibility is a modern concept linked to the sustainable development of an organization. Minimizing the impact production has on the surrounding

environment aims to improve quality of life and the abundance of natural and renewable resources for future generations. Practical examples of environmental responsibility may include environmentally-friendly production and eco-packaging, environment-friendly transportation of materials and products, recycling and the usage of recycled materials, energy and water saving practice, waste minimization and protection of natural resources, as well as others. Engaging in environmentally friendly practices can make the company more appealing to consumers that share these similar values, as well as the consumer population as a whole.

## **1.4 CSR as a Marketing Tool**

Implementing corporate social responsibility can be influential in promoting employee and customer engagement. CSR goes with smart brand strategy as marketing moved from a product-oriented approach to a consumer-oriented and need-oriented approach to fit with the modern consumer purchasing approach, as exhibited through customer support the companies that demonstrate concern for employee welfare, community development, environmental awareness, and human rights. According to a study carried out by Cone Communications and research firm Echo (2015), 90 percent of respondents said that they would stop buying a product if they found out that the company has irresponsible business practices and 92 percent would buy a product with a social and/or environmental benefit. From these results, it can be deduced that social consciousness is growing and it becomes not only favorable, but also mandatory to grow as a firm to implement CSR in strategies. Corporate social responsibility when seen by consumers and stakeholders helps to create familiarity with the brand, improving competitiveness and public relations.

When creating a CSR strategy, companies must to follow the basic ethical principles (ISO, EMAS). Some of the principles companies are expected to follow are: Ethics and transparency, fundamental human rights, managing good relationships with stakeholders, value creation, supporting diversity and equality, environmental protection and management, development of local communities, and other responsible marketing practices. The corporate culture and structure of the company should cooperate with the ethical beliefs of the company by motivating the employees to behave in the same way

as the company. The employees should believe and support the actions of the company and may be incentivized by bonuses for meeting goals, both financial and social goals.

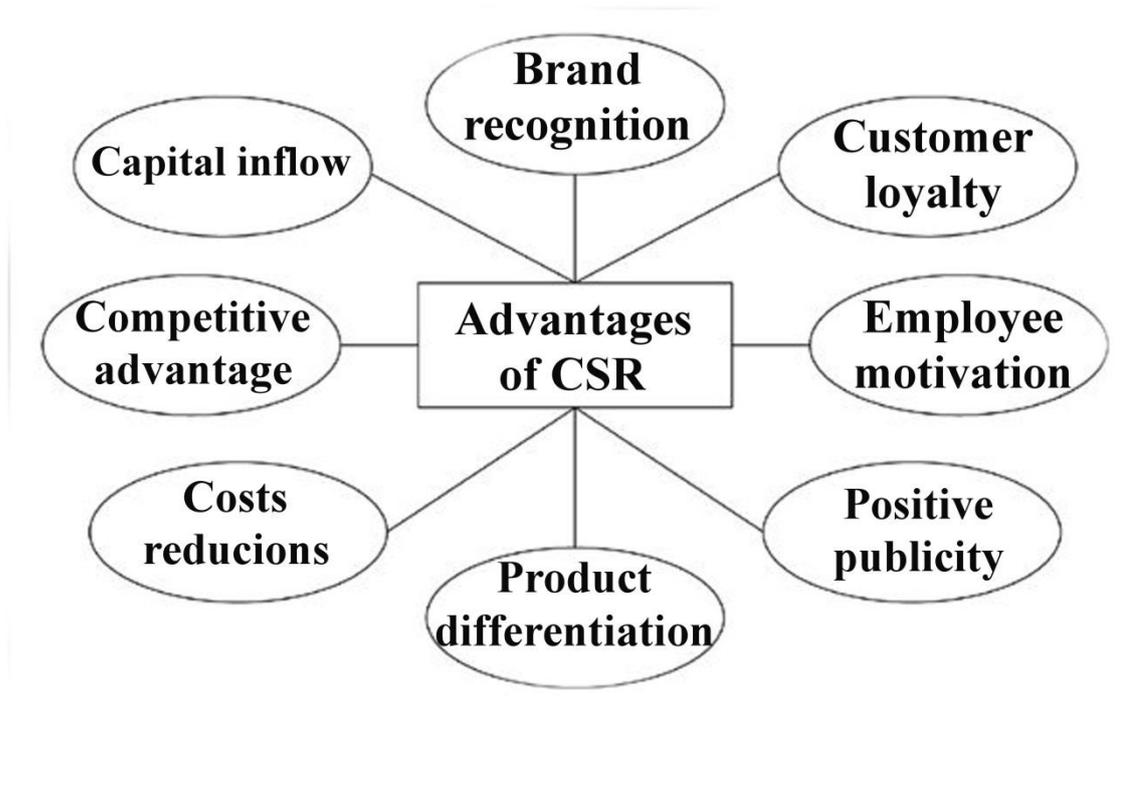
## **1.5 Communicating CSR Strategies**

No matter how ideal the CSR policy is that a company has, the message of the strategy will not be conveyed without useful and effective communication of the strategy, thus making it crucial to communicate the CSR practices not only to stakeholders but also to the common public. Each company should issue an annual report, which is mandatory for public companies in most parts of the world, that discusses their complete business actions and sustainability. Companies should consider values important to their customers and orient their products to fit the needs of consumers.

## **1.6 Advantages of CSR**

The use of corporate social responsibility in branding strategy has become popular for companies throughout the globe because of the advantages that are reaped from the use of such practice. Figure 3, on the following page, shows the major advantages of CSR. In a large market, it is important for companies to distinguish their own products from products of the competition, and CSR has become a strategy to do so. If a company possesses social values while maintaining competitive products within the industry, consumers will tend to become loyal to their products and employees and stakeholders will begin to back these values of the company, thus continuing to intensify brand loyalty. Advertising responsible behavior in the media will also help the brand recognition and positive publicity to enable the company to gain a competitive advantage, because not only consumers, but also other shareholders such as distributors or suppliers will want to cooperate with ethical, fair and transparent companies. Yet the most important thing while doing business is making profit.

**Figure 3: Advantages of CSR**



*Source: own compilation according to Asemah, Okpanachi, Edegoh 2013*

## 2 Methodology

This paper is focused on the corporate social responsibility and its use by breweries in the Czech Republic and in the USA. The brewing industry was selected as the sector of interest because its influential impact derived from the culture of the locations in which these companies operate, specifically Milwaukee, Wisconsin and the Czech Republic. The companies chosen for this study are breweries that have influential impact on the beer culture, whether it is a local impact or a global impact. Two breweries that operate in the Czech Republic were chosen, as well as two breweries in the US (Wisconsin). For the Czech Republic the following breweries were selected:

**Plzeňský prazdroj** is a leader in Czech brewing industry. From 1999 to 2017, the company has been part of SABMiller, the second largest brewing company in the world, until the company was sold to a global Japanese brewing group Asahi in 2017. Prazdroj exports its products to 54 countries worldwide, with Pilsner Urquell being a worldwide known brand of beer as a crucial cog in the company's portfolio. (prazdroj.cz, 2017)

**Pivovary Staropramen s.r.o.** is the second largest beer producer and innovation leader in the Czech Republic. The brewery is also an important Czech beer exporter and Staropramen brand is available in more than 35 countries all over the world. Since 2012 Staropramen has been a part of Molson Coors Group. (staropramen.cz, 2017)

Breweries in the United States of America will be represented by following companies:

**MillerCoors** is a household name in the United States as two of the most recognizable brands, with long brewing histories, especially in Milwaukee and Wisconsin for Miller and Colorado and the West for Coors. Coming together, the two companies have an impactful presence both nationally and continentally. With a focus on social responsibility and the triple bottom line, MillerCoors looking to pave a path of examples of positive social practice industrially as well as help establish a social norm for business practice. (millercoors.com, 2017)

**Milwaukee Brewing Company** is a private brewery local to Milwaukee that has become a popular craft brewery in the area due to its quality products and overall focus on sustainability within the Milwaukee community. In orienting its branding strategy in

support of the prosperity of the community, the company has built a following that has supported this mission, making Milwaukee Brewing Company a quality example of corporate social responsibility. (mkebrewing.com, 2017)

Corporate Social Responsibility is highly recognized topic today as overall sustainability and the triple bottom line become more relevant to consumers. According to a survey made by IPSOS Czech Republic in 2015, 13% of Czech citizens care about CSR and acknowledge it in the purchasing process, illustrating that 13% of Czechs do not intend to purchase a product if the company does not market its brand as social responsible. In addition, it was shown that one out of ten Czechs is even willing to pay more for a product that is environment friendly (ipsos.cz, 2015). For Americans, CSR continues to grow in importance with corporate marketers making this a point of emphasis, as it will be further addressed with the examples of MillerCoors and Milwaukee Brewing Company. Companies, especially in the food and beverage industry, bear a certain degree of responsibility towards the consumers, employees and the community in terms of a determined focus on environmentally responsible practices specifically.

The goal of this paper is to find out whether the leading breweries in Czech Republic and in the USA practice CSR, the degree in which they practice CSR in branding, and compare the results. It is hypothesized that US breweries will have more intense and focused CSR strategies in comparison to Czech companies, based on the information obtained from analyzing the annual reports and the information on the company websites, from which final conclusions we will be drawn. The specific criteria used in the evaluation process of the marketing practices of the chosen breweries is illustrated in Figure 4 shown on the following page.

**Figure 4: Criterion Chart**

<b>Social Performance (6)</b>	<ul style="list-style-type: none"> <li>Employees (2)</li> <li>Community (2)</li> <li>Charities (2)</li> </ul>
<b>Environmental Performance</b>	<ul style="list-style-type: none"> <li>Energy Saving</li> <li>Environmental Protection</li> <li>Recycling</li> </ul>
<b>Economic Performance</b>	<ul style="list-style-type: none"> <li>Transparency</li> <li>Fair Business Practices</li> <li>Sufficient Profit</li> </ul>
<b>Communicating CSR</b>	<ul style="list-style-type: none"> <li>Reports</li> <li>Quality Marketing</li> <li>Advertising CSR</li> </ul>

*Source: own compilation, 2017*

The analytical approach illustrated above will focus on the categories of social performance, environmental performance, economic performance, and the communication of CSR to its shareholders, where each brewery can gain six points per category with a maximum of 24 points. Each category is then constructed of three subsets that are evaluated on a 0-1-2 scale individually to sum to the total of 24 evaluation points. Social performance addresses treatment of and the experience of the employees (opportunity, benefits, diversity, etc.), the level of community involvement and focus on improvement (reinvestment, support of local business, etc.), and charitable contribution to the surrounding society (financial and nonfinancial donation, foundation support, project partnership, etc.). Environmental performance takes into consideration the companies use of renewable energy and waste reduction, the aim to remain protective of environmental resources and habitats through the use of renewables, and

the ability of the company to reuse byproducts and waste, as well as renew resources and energy. The third category, economic performance, looks at economic transparency, fair business practices, and the overall growth and performance, with the business code of ethics being a key dictator. When evaluating the communication of CSR to the shareholders and public, the effectiveness and clarity by which companies publish annual reports, advertise the fair practices to general public, and the use of quality and transparent marketing are the goals of this section of analysis. Grouping these sections together will give the variable that will allow us to determine each company's effectiveness of their brand.

## 3 Findings

### 3.1 Plzeňský Prazdroj

#### Social Performance

Social responsibility encompasses helping the communities. Prazdroj launched the People program, through which it supports municipalities. They have supported over three hundred projects in environmental protection and social development. The supported projects are listed in Figure 5. During the year 2015, the brewery contributed the amount of CZK 19,857,618 to support and develop the local regions of the Czech Republic.

**Figure 5: Supported projects by Plzeňský Prazdroj**

<b>PRAZDROJ TO THE PEOPLE 2014: Supported projects</b>		
Street Oratory II	Don Bosco Salesian Centre	CZK 180,000
Good Garden-Knowledge and Entertainment	Dobrá Primary School	CZK 380,000
Equipment for Bezručova Cottage educational room	Club of Czech Tourists	CZK 193,500
Struželka Camp – Eia Gaia	Rotary club Ostrava	CZK 261,000
Dogs Helping People	Dogma Civic Association	CZK 400,000
Ostrava Zoo – Getting to Know Nature Without Barriers	Ostrava Zoo	CZK 299,250
Traffic Playground for the Jablunkov Region	Jablunkov Primary School, Lesní	CZK 375,000
Renovation of the Libušín cottage destroyed by fire	Wallachian Open Air Museum	CZK 300,000
36th edition of Chess Hopefuls Tournaments	Beskydy Chess School F-M	CZK 112,000

*Source: prazdroj.cz, 2017*

Plzeňský Prazdroj company has a responsible and ethical approach towards employees. They follow human rights principles such as prohibition of forced and compulsory labor, abolition of child labor, intolerance of discrimination, establishing fair and competitive wages and benefits. The company's corporate culture is professionally open to all, regardless of the gender (27.8% of women in management), race, nationality,

ethnic origin, religion, sex orientation or health condition. A healthy safe environment and employee security is ensured. All employees are trained in responsible consumption of alcohol.

All employees are motivated to engage in socially beneficial activities, for example participating in international volunteering events, the Give and Gain Day and Engage Day. For doing so, the company provides extra days off to the volunteers. The number of hours of employee's voluntary work is roughly 1,590 hours annually.

Plzeňský Prazdroj adheres to the Breweries Code of Conduct and participates in preventive programs such as *When I drive, I drink non-alcoholic beer* or *Člověče, nezlob se* (Ludo), which focuses to prevent the use of alcohol by minors.

### **Economic Performance**

Plzeňský Prazdroj pays attention to foster mutually beneficial, fair and transparent relationships with its suppliers and shareholders. In order to harmonize the relationships with suppliers, the company complies following key documents: General Terms and Conditions, Business Ethics Policy Code of Commercial Communication, and SABMiller Supplier Code of Conduct.

The company's revenues in 2016 were 13,938 billion Kč.

### **Environmental Performance**

The brewery consistently monitors and minimizes the impact it has on the environment. It possesses the environmental protection certification, such as ISO 14001: Environmental Management System, ISO 9001: Quality Management and HACCP: Food Safety. The rate of waste reuse is 99.1%. Prazdroj company launched some projects that helps to reduce the energy and waste. For example, reducing the ammonia load, cooling optimization, renewable electric power and packaging recycling. Since the year 2015 the total direct energy decreased by 10 %. One of the company's goals is to be landfill free. The most important component of beer is water and Plzeňský Prazdroj is lowering the water consumption in order to stabilize the ecosystem by decreasing water consumption by 0.13 hl compared to 2015.

## Communicating CSR

The annual report is posted on the Plzeňský Prazdroj company website in both the Czech and English languages. The largest focus the CSR branding strategy on the site is in regards to the risks of irresponsible use of alcohol. It appears on labels and packaging and it is used in TV and radio commercials, in press releases, and as part of outdoor and digital advertisement. There are strict restrictions in the accessibility for minors in their product advertisements also. Some of the examples are: late broadcasting times of advertisements, confirmation of website visitors that their age is higher than 18 (drinking in Czech Republic is allowed at the age of 18), and the content on Facebook and other social media sites is filtered by the company.

Plzeňský Prazdroj has been a leading CSR company in the Czech Republic for several years. In 2016 the company won the award in *TOP Responsible Company* competition.

**Figure 6: Plzeňský Prazdroj evaluation**

Plzeňský Prazdroj		19 points	
<b>Social Performance</b>	<b>4</b>	<b>Economic Performance</b>	<b>6</b>
Employees	2	Transparency	2
Community	1	Fair Business Practices	2
Charities	1	Sufficient Profit	2
<b>Environmental Performance</b>	<b>5</b>	<b>Communicating CSR</b>	<b>4</b>
Energy Saving	2	Reports	2
Environmental Protection	1	Quality Marketing	1
Recycling	2	Advertising CSR	1

*Source: own compilation, 2017*

Figure 6 shows the evaluation results for Plzeňský Prazdroj company according to our findings and evaluation, which gave this brewery 19 points performance points.

## 3.2 Staropramen

### Social Performance

The Staropramen company provides its employees with a safe and healthy environment and support their education. The employees work in diverse teams, with all economically active age groups being represented, and the female employment ratio reaches 33%.

The brewery is engaged in helping the community, with examples being the work of brewery in the Centre for Assistance Dog Training Helppees, to the Natural Scientist Station, and to Children's Rehabilitation Day Care Centre by organizing leisure time activities, trips, and language, musical or sport courses. The investment to communities in 2015 was 19 203 840 Kč.

In 2014, Staropramen Festivals Without Barriers was presented. Thanks to the plastic and metal caps brought by visitors to selected summer events, platforms and ramps for wheelchair users were built from the value of the donation received. The project takes part in several festivals throughout the Czech Republic and it helps the wheelchair users to enjoy the summer festivals without any barriers or restrictions that would limit accessibility (Figure 7).

**Figure 7: Festival Without Barriers**



*Source: staropramen.cz, 2017*

## **Economic Performance**

Staropramen is a fair and transparent company with the revenues 14,4 billion Kč. They cooperated with the standards put into place in the Czech Republic, but did not exceed the shareholder expectations.

## **Environmental Performance**

In 2015 some of the innovations to save energy and help the environment were completed. The company has modernized can lines, which saves consumption of water and steam and at the same time it is cost effective by increasing production of canned beer by up to 30%.

Staropramen company encourages its employees to think ecologically through the *Good Idea Program*. An expert committee rewards ideas that can lead to reduction of costs or resources. Of 164 submitted ideas since the program has started in 2008, 112 were implemented.

Staropramen promotes recycling. In 2011 *Collect the caps, we will build* project was started with the objective being to transform PET bottle caps and cartons into equipment such as benches or tables and to give them as presents to non-profit organizations within the locations where the breweries are situated.

The goal for 2020 is to use 100% of recyclable waste, reduce energy consumption by 25%, reduce water consumption by 15%, and reduce the carbon footprint of Staropramen by 15%.

## **Communicating CSR**

Staropramen, such as Plzeňský Prazdroj was participating in *TOP Responsible Company* competition 2016, was awarded the 3<sup>rd</sup> place honor. It also owns the CHZO ČP Trademark, that stands for *Czech Beer* Protected Geographical Indication.

Staropramen promotes responsible marketing, not only to consumers but also to employees. It joined the *When I drive, I drink NA Beer* and Ludo, similarly to Prazdroj company.

The Molson Coors carried out in 2015 Employment Survey. The employees could provide the company with comments on the company's performance in the area of vision, communication and working environment.

Pivovary Staropramen is an active member of the major expert platform for sharing CSR and sustainable business principles.

**Figure 8: Staropramen Evaluation**

Staropramen		18 points	
<b>Social Performance</b>	<b>4</b>	<b>Economic Performance</b>	<b>6</b>
Employees	1	Transparency	2
Community	2	Fair Business Practices	2
Charities	1	Sufficient Profit	2
<b>Environmental performance</b>	<b>4</b>	<b>Communicating CSR</b>	<b>4</b>
Energy Saving	2	Reports	2
Environmental Protection	1	Quality Marketing	2
Recycling	1	Advertising CSR	0

*Source: own compilation, 2017*

According to the Figure 8 the amount of points gained by Staropramen is 18.

### 3.3 Czech Republic

The companies chosen for this project are seen as multinationals, both being part of a bigger, more successful group. This fact helped them to create, or more possibly, take over the CSR strategies, not having to start from the bottom, but rather learned from more experienced companies. Both breweries of focus have a sufficient CSR strategy, but there are still some points they should improve. The companies tend to donate money to communities, but not that much to non-profit organizations. They should also support communities and NGOs by ways other than donating. Creating long-term partnerships would also produce better results. The same applies to the concept of

environmental responsibility. It is not enough to lower the emissions, waste, and energy, the companies should strive for environmental protection and preservation of the environment. The employees could help with cleaning the surrounding parks and areas on a regular basis. The biggest shortage lies within communicating the CSR to shareholders and public. Even though both breweries issue annual CSR reports, consumers do not know about the actions the companies take. One possibility is to advertise the actions via social media or TV commercials. Another one is to create campaigns to raise the consumer's awareness. By applying and obtaining the quality marks (Klasa) the company would prove the quality of the product and its raw materials to consumers.

### **3.4 MillerCoors**

#### **Social Performance**

In terms of the use of corporate social responsibility in branding strategy, MillerCoors has set a precedent in regards to the acknowledgement of CSR and the use of the triple bottom line as a tool for gauging the success of the business. For the past decade, specifically, MillerCoors has taken steps to promote social awareness on multiple different occasions. As detailed on the MillerCoors website, the company is an equal opportunity employer, and exhibits that in two different ways. First, the company boasts its workforce diversity and the hiring process, and illustrates those values through the company management, with roughly 30% women in management roles and 18% of the same roles are held by people of color, and MillerCoors strives to reach 35% and 21% respectively by 2020. The other way in which the company values its employees is through the commitment to employee engagement and development. Not only are training and refreshment courses offered, but a mentorship program is offered to employees to help them reach future goals, as well as financial assistance and training to ensure personal financial growth.

MillerCoors is also a leader in the industry with a stance for alcohol responsibility. Working towards both underage prevention and drunk driving prevention, with millions of people worldwide standing with MillerCoors against drunk driving, starting the Drunk Driving Initiative in 2008. In support of this initiative, Coors launched a

partnership with Uber in 2015 to lower cab fares to ensure that alcohol consumers were getting home safely during holidays such as New Year's or St. Patrick's Day.

In regards to the performance of company through the explained model, MillerCoors receives a 5 due to its employee and community responsibility with equal opportunity and the involvement in alcohol safety for its consumers. Although the company could contribute to non-profit and charity organizations, it has a positive impact on the society and community in which it practices business.

### **Economic Performance**

In the United States, there are regulations that exist to maintain fair and transparent economic practice to ensure that the stakeholders are capitalizing the full potential of their investment in the company. With the addition of the employee reinvestment program to the governmental standards that exist, MillerCoors is awarded a 5 in the category of economic performance.

### **Environmental Performance**

Environmental responsibility has become an important characteristic that companies must consider as millennials begin to have a greater economic impact through decision-making. The two subsets that MillerCoors thrived in are focuses of conserving energy and the use of recycling both waste products and energy. A key component of the strategy is the 3-pronged restoration approach that it has implemented, which focuses to reduce and restore water-usage, decrease the carbon footprint, and complete eliminate waste at all the breweries by 2020. In addition to this 3-pronged approach, MillerCoors looks to decrease the amount of water used in production of one barrel of beer to three barrels of water and become completely landfill-free by 2020 as well. These practices of environmental responsibility earn the company a respectable score of 5 points in this aspect of CSR.

### **Communicating CSR**

MillerCoors excels in the marketing and communication due to advertising improvements in recent years. The company has offered detailed annual reports long before the merge of Miller and Coors, but it is now effectively advocating its

environment and social practices both through its website and advertisements to market a brand that exhibits these values. Videos and articles are posted throughout the website regarding its environmental and social practices that support the well-being of the planet, its employees, its stakeholders, and the public consumers. Advertisements also grab the attention of consumers to inform them of the responsible practices. These three concepts show the impact effort of the company, and in earns 6 performance points, the maximum for a category.

**Figure 9: MillerCoors Evaluation**

MillerCoors		21 Points	
<b>Social Performance</b>	<b>5</b>	<b>Economic Performance</b>	<b>5</b>
Employees	2	Transparency	2
Community	2	Fair Business Practices	2
Charities	1	Sufficient Profit	1
<b>Environmental performance</b>	<b>5</b>	<b>Communicating CSR</b>	<b>6</b>
Energy Saving	2	Reports	2
Environmental Protection	1	Quality Marketing	2
Recycling	2	Advertising CSR	2

*Source: own compilation, 2017*

### 3.5 MKE

#### Social Performance

Within the category of social performance, Milwaukee Brewing Company is first recognized as an equal opportunity employer, but do not go above and beyond the standard practice within the industry. Where the company prospers is through giving back to the community. MKE partners with local restaurants to use the waste cooking oil as fuel for heat in the brewing process, as well as donates its spent grain to local farms to fertilize their products that go to support the local community. Due to its focus

to community philanthropy, MKE gains a 5 in this category, but could improve in employee benefits and workforce diversity.

### **Economic Performance**

In accordance to economic standards, this small private company discloses its useful stakeholder information through its website, while continuing to support and exhibit fair business practice as a part of its fundamental strategy. With relatively average profits, MKE earns 5 performance points in the category of economic performance, in accordance with the criterion.

### **Environmental Performance**

Environmental performance is the area in which MKE excels. The company locally sources its raw materials, which plays an immense role in decreasing transportation costs, in turn reducing the impact of the carbon footprint created. In addition to locally sourced products, MKE practice a brewing strategy called “green brewing”, which looks to reduce the raw materials needed to produce the same amount of beer, increase the use of clean energy in the process, and reuse energy to again reduce the impact of the carbon footprint produced. Examples include the treatment of water before and after each usage, the reuse of heat and air conditioning with low-velocity ventilation fans, and, again, the use of waste fryer oil as fuel. These exceptional practices earn MKE 6 performance points in this category.

### **Communicating CSR**

As a small private brewery, marketing and advertising can present challenges due to the size of the expenses that can occur from public advertisement. Milwaukee Brewing has a very easy-to-navigate website that includes all of its business practices, as well as the projects that are planned for the foreseeable future of the company, has trouble reaching vast audiences. As profits continue to grow, MKE will soon possess the ability to advocate resources to improve marketing and advertising. Given the current situation, the company is awarded 4 performance points in this area.

**Figure 10: MKE Evaluation**

MKE		20 points	
<b>Social Performance</b>	<b>5</b>	<b>Economic Performance</b>	<b>5</b>
Employees	1	Transparency	2
Community	2	Fair Business Practices	2
Charities	2	Sufficient Profit	1
<b>Environmental Performance</b>	<b>6</b>	<b>Communicating CSR</b>	<b>4</b>
Energy Saving	2	Reports	2
Environmental Protection	2	Quality Marketing	1
Recycling	2	Advertising CSR	1

*Source: own compilation, 2017*

## 4 Conclusion

In the modern era of business and the practices associated with daily business activities, corporate social responsibility and the triple bottom line have become crucial components in marketing and brand orientation with the change in consumer perspective. This analysis has provided some insight into the similarities and differences between this type of practice in the United States and the Czech Republic. The four companies that were analyzed, Prazdroj, Staropramen, MillerCoors, and MKE Brewing, exhibited a trend in environmental performance in general, with the focus on recycling, as well as the use of renewable energy becoming increasingly important to consumers. Environmental awareness appears to continue growing on a global level due to the growing concerns toward the health of the planet.

With the demonstration of the key similarity between then companies, differences between that practices within the separate countries revealed themselves. A theme within the Czech breweries is the category of economic responsibility, as both companies are highly devoted to economic transparency and fair business practice over an intense social focus concerning the local citizens in the region, workplace diversity, and holistic social wellbeing through local support of business and focus on responsible alcohol consumption. MillerCoors excelled in the communication of CSR through advertisement and marketing strategy, and was closely followed by MKE, which could not compete due to the small, private orientation of the local Milwaukee company. Overall, this study revealed that the US possesses a slight advantage with the use of corporate social responsibility and the triple bottom line in branding strategy, remaining very comparable, with each company possessing room for improvement in at least one category, as shown by the imperfect score.

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# **Comparison of Startup Marketing Strategies in Wisconsin and the Czech Republic**

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## SECTION I – PROJECT OVERVIEW

The intention of this assignment is to perform a comparative analysis of the marketing strategies and tools employed by various startup entities in both the Czech Republic and Wisconsin. Beginning with the dot-com era of the late 1990's, and continuing through the present day, startup companies have been revolutionizing all aspects of modern life, from breakthrough medical treatments to communication among friends and business associates. With television shows like *Shark Tank* in the United States and *Dragon's Den* in the United Kingdom increasing the visibility of the startup scene, as well as movies like *The Social Network* that glamorize the entrepreneurial lifestyle, people are becoming more amenable to forming their own company, especially when the next big trend can be as small as a mobile app. Therefore, given how prominent startup businesses have become in modern life, it is important to gain an understanding of the strategies and mediums that are utilized by these firms to gain traction in the marketplace and to recognize how these approaches may differ across countries.

In order to gain a thorough understanding of how startup entities market themselves in the global economy, this study will identify and assess twelve ventures across three distinct industries in both the Czech Republic and Wisconsin and will devote particular attention to such factors as brand identity, target audience selection, marketing collateral development, and market engagement, as a whole. Aside from the focus on the companies themselves, this work will seek to provide an overview of the startup environments that exist within the two regions of interest and how certain factors like regional economic or demographic trends and startup networks and infrastructure impact the go-to-market strategies of these ventures. From these analyses, this report will then document the startup companies and marketing strategies that are most effective and then ultimately make recommendations on how these ventures can improve their marketing to more effectively compete both regionally and globally.

## **SECTION II – STARTUP ENVIRONMENT DISCUSSION**

### *Section II.1 – Overview of Startup Companies*

As described by Bartoš (2011) and Robehmed (2013), a startup is any company which is working to solve a perceived problem in the marketplace where the potential solution put forth by the new venture is unproven and the probability of success is far from guaranteed. Though sometimes arising out of necessity, such as a person needing a source of income after being laid-off, most startup companies are formed by enterprising individuals who are willing to forego the career stability and income security offered by the traditional corporate world in exchange for the hope of making an immediate societal impact, and one day, ultimately realizing an outsized financial payoff. While technology-related entities tend to be the most readily identifiable with the general public due to their high degree of visibility in the media, Reis (2011) contends that startups exist across every industry, from architecture to life sciences. Consequently, any company can be classified as a startup, provided that it is in the early stages of its life cycle and has the ability to grow and mature once the requisite management, organizational structure, business processes, and funding are secured. Once these fundamental components are in place and the business begins to grow and monetize its solution offering, the company transitions from a startup to a professional entity.

While new ventures can come in all shapes and sizes, Blank (2011) organizes startup companies into one of the following classifications, mainly based on the growth objectives of the founder:

1. **Lifestyle Business** – With this type of business, the founder seeks to grow the company only to the extent that it supports his or her desired lifestyle. Often, with these types of entities, rather than reinvesting profits to grow and further professionalize the company,

the founders will take excessive equity distributions to achieve personal desires, like taking an extended family vacation on a private Caribbean island each year.

2. Scalable Startup – The scalable startup is any venture that starts out small, but is born to be big. Just as Facebook has grown to 1.86 billion users worldwide after starting out in a Harvard dormitory (Starks, 2017), the scalable startup hopes to one day achieve a similar growth trajectory and market reach.
3. Buyable Startup – With buyable startups, the founders are often serial entrepreneurs who are driven by a desire for innovation. As such, these businesses are often sold to larger and more established companies prior to the significant growth phase, thus allowing the buyer to take the startup to the next level while providing the seller with some financial stability as well as the capability to pursue another innovative solution.
4. Large Company – The large company startup is one which offers many variants of a core solution based on market preferences. Though not a startup anymore, given that it is now publicly traded and has been in existence for over a decade, Tesla, Inc. is a company that adequately represents this type of venture. With a core goal of trying to revolutionize automotive transportation, Tesla offers, or is working to develop, a vast array of related solutions like long-lasting car batteries and self-driving vehicles.
5. Social Entrepreneur – Unlike the other categories in which financial gain is a key motivating factor, startups founded by social entrepreneurs focus on making the world around them a better place for all to live.

After the entrepreneur has identified the market void and the necessary solution offering, the next step is for the would-be founder to assemble the resources to launch his or her company. By utilizing available resources like co-working spaces, incubators, and accelerators, the founder

can improve the likelihood of achieving success as these systems aid in developing and marketing new solutions, sourcing venture capital, offering office space, and professionalizing the newly formed entity (Czech Invest, 2017; Sedláček, 2017; and Curda, 2010)

### *Section II.2 – Comparison of the Startup Environments of Wisconsin and the Czech Republic*

The nature and success of startup entities within a given location are largely dependent upon regional trends and systems. In the cases of the Czech Republic and Wisconsin, the former region is considered to possess a vibrant startup community, while the latter region has one of the most unimpressive startup environments in the United States. As discussed in the following subsections, differences in key factors like demographic characteristics, quality of the startup community infrastructure, and availability of funding make manifest why such a stark difference exists between the two locations with respect to startup activity.

#### *Section II.2.A – Demographic Factors*

Located in the heart of the Midwest and with a population of nearly 5.8 million inhabitants, Wisconsin is in the middle of the United States, both geographically and population-wise (WI DoA, 2016). Yet, while a number of established Wisconsin companies, such as Johnson Controls and Northwestern Mutual, are routinely ranked among the Fortune 500 and Forbes Best Places to Work, the state ranks last in the United States for its startup environment (Anwer, 2016). Contributing to this lack of entrepreneurial spirit are a number of demographic trends, including a slight decrease in the working age population between 2010 and 2015 from 63 percent to 62 percent, lower levels of immigration, and a state labor market that is the strongest in 16 years (WI DoA, 2016; Romell, 2017a; Gallagher, 2016). While Madison

continues to flourish as a technology and life sciences startup hub, largely in part due to the state's flagship university's ability to attract young innovators, the rest of the state's major cities, principally Milwaukee, languish as would-be entrepreneurs seek more diverse and thriving startup regions in bordering states.

Unlike Wisconsin, which has been unable to capitalize on favorable attributes, such as its geography, or has had to contend with adverse demographic trends, like an aging population, the Czech Republic has avoided the setbacks that have hampered its counterpart. Situated in the geographical heart of Europe, the Czech Republic and its 10.5 million inhabitants enjoy a number of favorable conditions (Český Statistický Úřad, 2017a; 2017b; 2017c). With a highly-educated populace and an average income per capita of CZK 27,220, or approximately USD 1,064 at prevailing exchange rates, Czech citizens are seemingly more willing to embrace the entrepreneurial spirit than those living in Wisconsin (Curd, 2017; České Noviny, 2016). In addition to Prague, home to nearly 60 percent of all startups operating in the country, Brno, Ostrava, and České Budějovice a Plzeň, have active startup scenes, especially in the areas of software development, web services, and mobile applications (Byznys Noviny, 2016).

### *Section II.2.B – Infrastructure Factors*

While Wisconsin ranks poorly for its overall startup scene, the state actually possesses a highly engaged and extensive infrastructure dedicated to fostering the success of its community members. In recent years, leading Milwaukee businesses, such as Northwestern Mutual and Reinhart Boerner Van Dueren, s.c., have launched initiatives, such as a \$50 million fintech venture fund and a legal network dedicated solely to technology innovators, while formerly dormant industry associations like the Wisconsin Venture Capital Association are once more

becoming active in an effort to attract funding to promising opportunities (Irrera, 2017; Romell, 2017b). In addition to the efforts by the private sector to support the startup community, leading colleges, such as Marquette University and the University of Wisconsin system, have created their own supporting ecosystems and can provide everything from business plan creation assistance to on-campus incubators and accelerators (University of Wisconsin-Madison, 2017a, 2017b; Marquette University, 2017).

Comparable to Wisconsin, the Czech Republic also enjoys a well-developed infrastructure to promote startup growth within the nation. Many universities, most notably the Palacký University Olomouc, the Czech Technical University in Prague, Tomas Bata University in Zlin, the Czech University of Life Science Prague, and the University of Economics Prague, have their own business incubators and accelerators. In addition to university-backed programs, over 20 co-working spaces are situated in Prague where newly launched ventures can secure office space for as little as CZK 3,500, or USD 137, per month and dozens of independent accelerators and associations, like StartupYard and Czech Invest, to name a few, provide professional resources to help transform a founder's concept into reality (Startuphelp.cz, 2017).

### *Section II.2.C – Startup Events*

Each year, throughout the world, a vast number of competitions, workshops, and conventions are held to promote and help jumpstart new enterprises. Within the Czech Republic, the local startup community has worked diligently to host events like the Woman Startup Competition, the Startup World Cup, Startup Summit, Startup Weekend Brno, and Get it in the Ring. Often sponsored by both domestic and international corporations like Microsoft, O<sub>2</sub>, and

the Czech Savings Bank, these events help to connect budding entrepreneurs with the resources needed to grow their business and hopefully to one day compete on the global stage.

Unlike more successful states that host national or international startup events, Wisconsin's activities are generally limited to short symposiums or discussions where local entrepreneurs can receive an overview of, or limited instruction on, topics ranging from creating viable business plans to obtaining the first rounds of institutional funding (WTC, 2017). In an effort to better engage with, and bring attention to, the startup community in Wisconsin, Startup Milwaukee, a local nonprofit group dedicated to serving as a resource to entrepreneurs, investors, civic officials, and the community at large, launched what it hopes will become an annual initiative called Startup Week to spur activity in the startup space across the state of Wisconsin (Stanely, 2016).

#### *Section II.2.D – Startup Funding*

Perhaps most critical to the ultimate success or failure of a startup entity is its ability to secure funding to help scale the business. For both the Czech Republic and Wisconsin, in the initial phases of the business, especially before the concept has been proven to be viable in the marketplace, funding is often limited to the financial assets of the founder and loans or contributions from friends and family. As the founder demonstrates the market need for the offered solution, as well as the ability to lead and grow the business, the options for securing capital become more numerous, and the average investment size per round of funding begins to increase. Once institutional investors partner with the startup, they can help scale and professionalize the entity through their vast experience in the startup industry and extensive network of resources, thereby enabling, among other things, the young company's ability to

evolve from simply using primitive, low cost marketing platforms like social media, to a full complement of options, ranging from television advertisements to professional sport sponsorships.

## SECTION III – METHODOLOGY

### Section III.1 – Sectors and Companies of Interest

Though the startup communities in the Czech Republic and Wisconsin are currently experiencing varying degrees of prosperity, there do exist several sectors common to both regions and entities within each respective national industry with a comparable company in the foreign market. For this particular assessment, twelve startups, six each from the Czech Republic and Wisconsin, were chosen from among the housing, dining, and gaming industries, since these sectors offered some of the most visible and readily obtainable marketing materials. The following table identifies the name, sector, and nationality of each startup company analyzed in this report.

	Czech Republic	Wisconsin
Housing	 	 
Dining	 	 
Gaming	 	 

### *Section III.2 – Assessment Method*

In order to facilitate an assessment of, and provide a basis for comparison between the various marketing strategies employed by the startups of interest, this study has identified eighteen characteristics or elements that may be expected to be present in a representative startup company's marketing campaign. These elements are then grouped into three broad categories – branding, traditional marketing mediums, and social and emerging media – and points are assigned, up to ten points per category for a maximum score of 30 points, based on both the existence and effectiveness of the predetermined individual marketing characteristics. The Appendix to this report contains observations and commentary on each element of the marketing campaign for all twelve startup entities.

## **SECTION IV – HOUSING STARTUP EVALUATIONS**

### *Section IV.1 – BezRealitky.cz*

BezRealitky.cz launched its website in September 2007 and became the first online real estate market in the Czech Republic through which anyone can rent or lease properties without the assistance of realtors. The main advantage of such an approach is the considerable financial savings which users can realize, since no party is required to pay anyone a commission. Real estate owners can offer their properties to the more than one million viewers who frequent the site each month without ever needing to involve an actual realtor. From its inception, this entity focused on creating a concept that brings more transparency to the real estate market, reduces costs, and improves the quality of real property transactions by enabling the customer, through

each phase of the transaction, to determine which services to use and how to implement them without the help of certified professionals.

BezRealitky.cz's marketing strategy really revolves around its brand identity. During its ten-year life, the firm has been able to attract an extensive user base, largely because of its ability to create the image that it is the go-to place to save both time and money when it comes to real estate transactions. Given the time and energy dedicated to establishing the strong brand position that it currently enjoys, BezRealitky.cz has neglected other promising avenues to grow its audience and user base. With its marketing presence being almost exclusively digital, the business is failing to reach certain segments of the population, like older generations who are less technologically inclined, and, even among its current base, the use of contemporary platforms, like social media, tend to be one-directional rather than an interactive experience with the audience.

#### *Section IV.2 – Rent College Pads*

Rent College Pads is a Milwaukee-based startup that offers apartment and other off-campus housing matching services for current students, recent graduates, and other young professionals. Designed to streamline the apartment hunting process, Rent College Pads' platform contains a centralized listing of housing options for 168 colleges in 41 states. By maintaining an active database of listings, students can search available housing options, from short-term subleases to leased units in search of roommates. This startup conveniently schedules open houses and helps landlords reduce vacancies by presenting their openings to as wide an audience as possible.

For Rent College Pads, everything about its marketing approach is tailored towards a clearly and narrowly defined niche within the broader rental market. From its name, which clearly conveys what service it offers and who the target audience is, to its use of on-campus brochures that bring awareness to its site, everything about Rent College Pads has been created to be straightforward and recognizable. Where this startup is deficient, however, is in its use of social media as it tends not to scale up its marketing communication during peak rental sign-up seasons, like the fall apartment lease period for college upperclassmen.

#### *Section IV.3 – UlovDomov.cz*

UlovDomov.cz is the first Czech website that specializes in apartment rentals and room sharing. Working with a large number of landlords, UlovDomov.cz tries to cover all areas of the rental market from luxury accommodations to budget options and everything in between. To support its mission, the startup offers a centralized platform whereby landlords and other individuals can place advertisements and photos for available units.

Since UlovDomov.cz maintains an online presence only, it is natural that its marketing consists entirely of web-based applications. While such an approach may be desirable for reaching a wide audience as cost efficiently as possible, its effectiveness is limited to how well the company can utilize its digital platforms. Unfortunately for this particular entity, the website is not as intuitive as those of its competitors, and emerging tools like social media pages do not drive the engagement necessary to be successful over the long-term in this industry where the number of competing services is high.

#### *Section IV.4 – ABODO*

ABODO is a Madison-based startup that centralizes apartment listings for what it claims to be six metropolitan areas across four Midwestern states. Similar to other online-based apartment rental services, ABODO seeks to provide the market with a centralized platform whereby apartment hunters can search the available inventory within a given location, compare prices and amenities, and communicate with the listing landlords. Though similar in nature to the three aforementioned housing startups, ABODO is the one company that has yet to really prove its concept to the market.

As was just alluded to, ABODO has yet to gain traction within the market largely because of the poor job it has done in marketing itself. Unlike other startups, like a Rent College Pads, for instance, where there exists a clearly defined and targeted market niche, ABODO appears as if its intent is to target the entire rental housing market regardless of whether it can effectively compete within such a broadly defined industry. Also contributing to the poor market reception is the fact that the firm's website is not current. Certain publications, like the startup-focused periodical Xconomy, quote ABODO executives as saying that they have a presence in over thirty cities nationwide (Buchanan, 2016). However, the website only identifies six locations. If the company hopes to survive, it must begin to convey accurate information to the market; otherwise, potential customers will go elsewhere for such services.

#### *Section IV.5 – Industry Observations*

The table on the following page presents the ratings that were assigned to each housing startup based on the strength of its overall marketing campaigns. Based on these results, it is evident that well-run startups within this industry have a strong brand presence which allows

these entities to expand their user base and grow their operations. At the same time, however, this same brand power which allowed these firms to flourish has resulted in other elements of the overall marketing strategy to be largely ignored which must be rectified if such positive momentum is to be maintained.

	 bezrealitky.cz	 UlovDomov.cz	 RentCollegePads.com	 Abodo
<b>Branding</b>	10	7	9	4
<b>Traditional Marketing</b>	3	3	7	2
<b>Social Media Use</b>	5	3	4	1
<b>Total Score (30 Points)</b>	18	13	19	7

## SECTION V – DINING STARTUP EVALUATIONS

### *Section V.1 – DámeJídlo.cz*

DámeJídlo.cz is a digital startup that possesses lists of restaurants that offer meal deliveries. Through both a website and a mobile application, users can order food on the go and have it delivered where and when they want it to accommodate their lifestyles. Offering user friendly and intuitive platforms and a hundred percent satisfaction guarantee, the patron’s next meal may be no more than a few clicks away.

An online restaurant ordering and delivery service, DámeJídlo.cz really embraces the succinctness and efficiency that the digital world offers. Similar to Rent College Pads which is able to convey its service offering and market niche in only three words, DámeJídlo.cz enjoys comparable success, as its name loosely means “let’s order food.” Being that it only maintains an online and mobile presence, this entity makes excellent use of newer marketing elements, like social media venues, while more traditional approaches, like print advertising, are largely absent.

### *Section V.2 – EatStreet*

EatStreet is a Madison-based startup that offers diners a centralized platform for ordering meals from over 15,000 restaurants in more than 250 cities across the country. Originally founded as an online-order, in-store pickup-only service, EatStreet has since grown, evolving to the point where the customer no longer needs to leave the house to be fed. Having recently partnered with Uber, EatStreet now provides meal delivery services in select cities as it tries to corner the nearly \$70 billion takeout dining market (Gallagher, 2015).

Though essentially an online business, EatStreet possesses one of the most comprehensive and balanced marketing strategies of all the startups analyzed in this work. Having been developed by a group of then-recent graduates, EatStreet has created a very strong brand especially among the younger generations whose busy professional, educational, and social schedules has made preparing food at home for oneself less desirable. In addition to driving engagement and awareness through popular outlets frequented by its primary audience like social media, EatStreet utilizes other marketing channels, such as promotional sponsorships with the Milwaukee Bucks and informational posters with the Milwaukee County Transit System, as a means of reaching beyond the core audience.

### *Section V.3 – Rohlík.cz*

Rohlík.cz is a Czech online grocery store, founded in 2014, that seeks to revolutionize how people conduct their grocery shopping. When shopping, customers have the option of browsing and making purchases from either the website or the mobile app and can select whether to have the goods delivered or be ready for pickup, depending on the shopper's schedule. At

present, Rohlík.cz operates in seven Czech cities, including Plzeň where approximately 2.5 million people have access to its services.

Though still a young enterprise, Rohlík.cz has done an excellent job of educating the market on the need for online grocery shopping and delivery. Focusing on everyone from young professionals who may not have the time nor the desire to walk through a store searching for particular items to an elderly person who may have difficulty carrying grocery bags, Rohlík.cz has cultivated a diverse audience base. Though an online company at its core, this particular startup has exhibited some weaknesses where it pertains to its digital presence. While it is entirely possible that deficiencies with its online marketing, namely unintuitive site layouts and poor engagement on social media, are simply a function of the entity's youth, the startup must, nevertheless, seek to enhance its digital presence and outreach if it is to continue to thrive.

#### *Section V.4 – GrocerKey*

GrocerKey is a Madison-based startup that is introducing e-commerce solutions to the grocery and convenience markets in the Upper Midwest and Great Lakes regions. While traditional in-store grocery sales have been flat, GrocerKey identified an opportunity to help its clients capture the growing demand for online grocery shopping. Partnering with such leading brands as Woodman's Markets and Piggly Wiggly, among many others, GrocerKey is helping to transform the way grocery and convenience stores accept, prepare, and deliver online orders.

Similar to Rohlík.cz, GrocerKey is attempting to modernize the grocery and convenience store shopping experience in the United States. Where the two firms diverge, however, is with the target customer. In the case of GrocerKey, the target customer is the store itself, not the individual customer. Since GrocerKey has designed its technology to serve as an add-on to the

individual grocer’s mobile app, marketing is largely limited to a company website and the occasional news release. While such a limited marketing strategy may give the appearance of inhibiting growth, the fact is that the startup’s founders are all former industry executives. As such, the firm has the necessary network and connections to continue to grow and scale the business within its current geographic market. That being said, however, networks can only take a new startup so far, and if the founders desire to grow beyond the Midwestern United States, they should begin to develop a more robust online presence to bring awareness to their capabilities.

*Section V.5 – Industry Observations*

The following table presents the ratings that were assigned to each dining or grocery startup based on the strength of its overall marketing campaigns. In general, these startups have all done excellent work in creating brands that resonate with the target market. While the marketing for these industry participants tends to be skewed in favor of online channels, given the nature of their service offerings, these startups, when viewed collectively, have some of the most creative approaches of all the industries analyzed.

				
<b>Branding</b>	10	7	10	9
<b>Traditional Marketing</b>	3	6	7	6
<b>Social Media Use</b>	8	8	8	8
<b>Total Score (30 Points)</b>	21	21	25	23

## SECTION VI – GAMING STARTUP EVALUATIONS

### *Section VI.1 – Gamee*

Gamee, launched in 2015, is a mobile game platform for playing and competing with friends. Periodically, new and exciting games are automatically added to the application without the user needing to go through a manual installation process. Additionally, every game that is supported by Gamee can be played on the startup's own application system, a messaging platform like Telegram or Kik, the internet, or social networks, like Facebook.

Since avid computer and mobile gamers spend an inordinate amount of time on electronic devices, the marketing strategies for such companies are naturally directed towards those channels that afford the greatest degree of visibility within this particular community. With this in mind, Gamee has to market not only itself, but its portfolio of games, as well. To engage as wide and diverse an audience as possible, Gamee makes use of electronic newsletters, along with social media accounts, for both the company and the individual games, since the latter may receive more visibility than the game developer itself.

### *Section VI.2 – PerBlue*

PerBlue is a mobile gaming startup based in Madison. Since its founding a decade ago, it has launched, on average, one new mobile game per year. From the success of its games, like DragonSoul, Titan Empires, and Parallel Mafia, the company has been able to grow its base to approximately 20 million users nationwide (Engel, 2014; Capital Entrepreneurs, 2017).

Similar to Gamee, in which the individual games are likely more well-known than the company itself, there is a high degree of redundancy in PerBlue's marketing strategy. Not only does PerBlue have websites and social media accounts to promote the corporate brand itself, but it also has individual accounts and sites for each game within its portfolio. Aside from the online

presence that the corporate entity and individual games possess, the startup periodically ventures beyond the digital realm and into traditional advertising mediums like television commercials and tradeshow or industry convention booths to drive awareness for new game launches.

### *Section VI.3 – AboutFun*

AboutFun is an independent gaming studio primarily focused on developing games for mobile platforms. In business since 2012, AboutFun aims to make highly entertaining, original, and truly awesome games for its users and has collaborated on projects with such industry stalwarts as Electronic Arts.

While AboutFun has achieved successful launches of a number of its mobile games like Tiny Miners and War Friends, the company, thus far, has yet to develop a unified strategy for promoting itself and its products. Under the current marketing regime, each game acts as its own entity, separate and distinct from the game developer itself. Though it is understood and appreciated that different games attract different audiences, the fact that there exists little to no coordination between the parent company and the portfolio of games is troublesome, as management is missing a tremendous opportunity to consolidate its user base, and ultimately streamline the marketing process.

### *Section VI.4 – Voyage Virtual Media*

Virtual Voyage Media develops virtual reality and augmented reality software, games, and videos for the sports, entertainment, and fashion markets. Though headquartered in Las Vegas, this startup has performed a considerable number of projects in the state of Wisconsin, including 360-degree video consulting for both the Milwaukee Bucks and Marquette University.

Having only been founded within the past two years, Voyage Virtual Media has yet to develop any semblance of a brand. Perhaps, since virtual reality entertainment is still in its infancy, the company simply requires more time to educate the marketplace on the need for its offerings. While continuing to participate in major industry events like the Las Vegas Consumer Electronics Show and the SXSW Conference will serve to provide Virtual Voyage Media with greater traction among customers in the marketplace, the company cannot expect to be successful over the long-term should the demand for this new entertainment platform fail to sufficiently materialize.

*Section VI.5 – Industry Observations*

The following table presents the ratings that were assigned to each gaming startup based on the strength of its overall marketing campaigns. Generally speaking, these startups have a unique challenge because the individual games they develop often have a better market presence than the companies that created them. As a result, the scores for this industry are, on average, in the middle of the three sectors that were analyzed; nevertheless, had the focus, instead, been on the individual games, the ratings likely would have been the highest of the three categories.

	 GAMEE		 PerBlue	
<b>Branding</b>	10	6	10	6
<b>Traditional Marketing</b>	3	3	6	4
<b>Social Media Use</b>	8	6	7	8
<b>Total Score (30 Points)</b>	21	15	23	18

## SECTION VII – RECOMMENDATIONS

Having analyzed the branding, use of traditional marketing mediums, and social media presence, the results of which were discussed in the preceding sections, it is now possible to make targeted recommendations that will allow each subject entity to be more effective on either a local, national, or global scale. Based on the analysis conducted throughout this study, the following items are the recommended courses of action for the companies of interest:

- For UlovDomov.cz and ABODO, the two underperforming housing startups, it is recommended that each company better define its target audience. As it currently stands, each of these companies is trying to accommodate the entire rental market rather than homing in on a particular niche, such as young professionals. By becoming more focused, these businesses can develop more cohesive and effective strategies that can help the firms achieve success.
- For BezRealitky.cz and Rent College Pads, the higher performing housing firms, it is important that they develop a more interactive social media presence. When assessing their social media use, it is apparent that activity is not driven by market cycles. In peak periods, such as in the fall when college upperclassmen are looking to sign leases for the following academic year, these startups need to increase their online presence to drive greater awareness and use of their services.
- The two restaurant-focused startups, DámeJídlo.cz and EatStreet, have done an excellent job of taking their business concepts and transforming them into much sought after services. Since these two firms already have robust marketing campaigns, there is not much else that can be recommended for them to improve their operations locally. However, the one area in which these two companies are deficient

is in their global reach. Should a user of the American service travel to the Czech Republic, or vice versa, and want to use such a service abroad, that individual would need to first install the foreign application. While doing so takes only a few moments, if the startups were to form a joint venture and standardize their platforms and technologies, they could easily share their restaurant lists. Then, whenever a Czech user using DámeJídlo travels to the United States, the platform would automatically provide the EatStreet dining options without any additional downloads thereby giving each startup an entry point into the global takeout dining market.

- Similar to the restaurant startups, the grocery and convenience entities have clear paths to success, provided they can continue to capitalize on opportunities as they arise. In the case of GrocerKey and Rohlik.cz, the companies are essentially offering the same service but are targeting different end consumers within the market. For GrocerKey, the target is the grocery or convenience store itself, while Rohlík.cz is pursuing the individual shopper. Given the similarity of the solution each firm offers, yet the different knowledge, expertise, and connections required to gain traction with the desired end user, it is recommended that the two firms consider a joint venture whereby they could explore ways to conquer the market as a full-service operation.
- Finally, as noted several times in Section VI, the mobile games created by their parent companies tend to have greater brand loyalty and overall market recognition than that of the startup themselves. To overcome this shortfall, these gaming companies need to make a concerted effort to educate the market on their full portfolio of offerings by providing greater publicity in industry periodicals or by attending and sponsoring local and international tradeshows and conventions. By using the games as elements

of the umbrella marketing strategy, rather than by treating them as stand-alone entities, the startups should be able to grow their domestic and international presence.

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# The Power of the Harley-Davidson Brand

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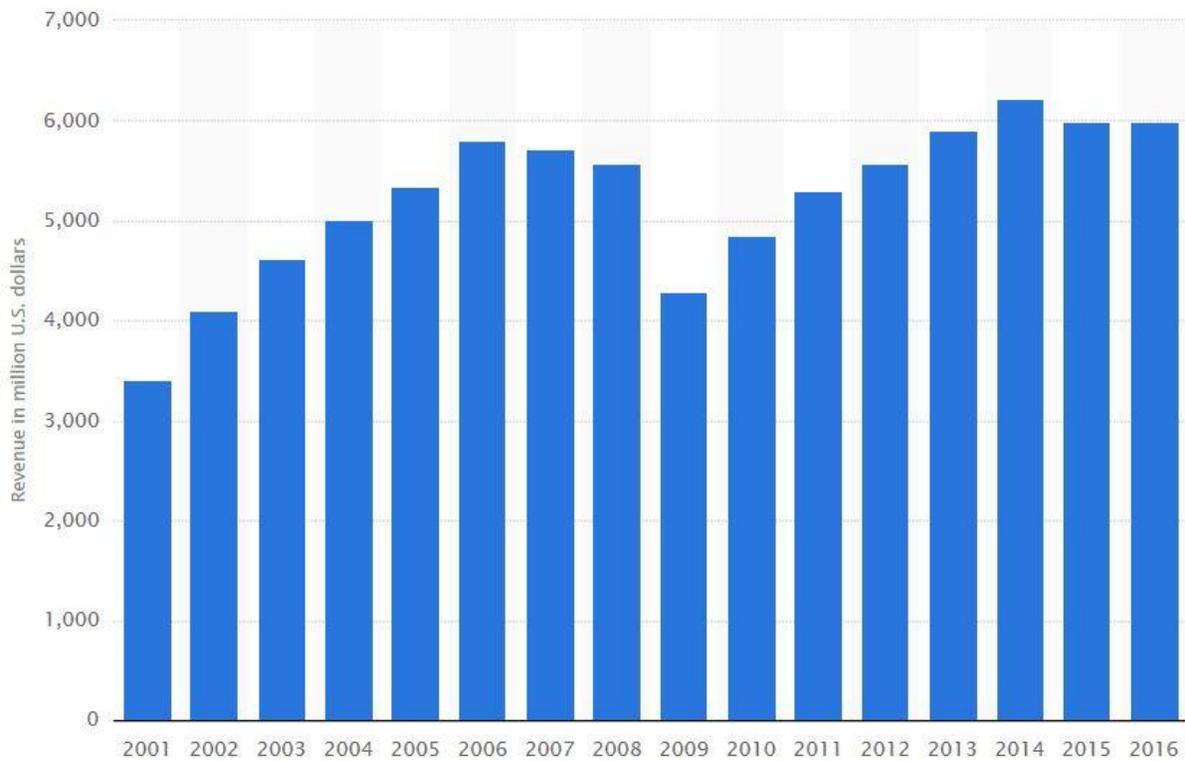


## Introduction:

Harley-Davidson started producing motorcycles in 1903 and had its first retailer by 1904 (1). Harley-Davidson Motor Company was incorporated by its owners, William Harley, William Davidson, Arthur Davidson, and Walter Davidson, in September 1907. The company had humble beginnings with its original motorcycle shop in a backyard, but was transformed into the Harley-Davidson Motor Company with a 2,380-square foot factory in Milwaukee, Wisconsin, USA (2). Now, the company is in 97 countries worldwide and has 1,461 dealerships around the world (3).

In terms of worldwide revenue, Harley earned 5,996.5 million USD in 2016, but peaked back in 2014 with earnings over 6,228.5 millionUSD (4).

*Figure 1- Worldwide motorcycle revenue of Harley-Davidson*

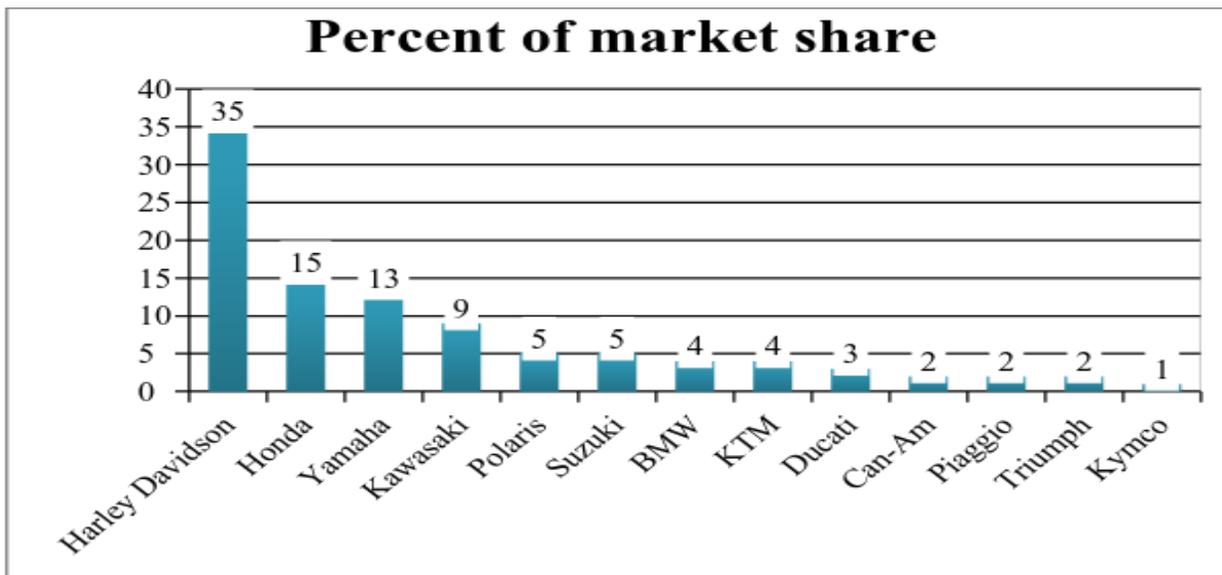


\*Source: <https://www.statista.com/statistics/267311/worldwide-motorcycle-revenue-of-harley-davidson/>

The large amounts of revenue in 2014, according to Keith Wandell, Chairman, President, and Chief Executive Officer of Harley-Davidson, was due to “the result of a clear focus on managing the company for the long term, building our well-established strategies and driving continuous improvement in every aspect of (Harley’s) business” (5). The international sales growth exceeded the amounts within the United States and new customers being reached in comparison to prior years of business (5).

The Harley-Davidson brand is recognized throughout the world as a brand representing the American spirit, seeking out new adventure without limitation. The company has its fair share of competitors, but is maintaining its position in the global market place. For the heavyweight motorcycle category in 2014, Harley-Davidson maintains a 35 percent market share in the United States compared to its closest competitor, Honda, with a 15 percent market share as demonstrated in the following graph.

Figure 2- Market share of major motorcycle manufacturers in the US



\*Source <https://www.statista.com/statistics/252210/market-share-of-major-motorcycle-manufacturers-in-the-us/>

When a consumer desires a motorcycle that is within the heavyweight category, there is no competition from other consumers. Harley-Davidson dominates the larger motorcycle market.

Despite this major market share, the Harley Davidson company has issues selling its smaller motorcycles because of price. The heavyweight motorcycles are viewed as a luxury item rather than the smaller, more agile motorcycles that are used for utility and competition. Each of the other producers listed have larger market shares for smaller motorcycles.

Harley-Davidson Motor Company has been around for more than 110 years. Depending on the United States economy, the value of the brand fluctuates with the marketplace. When the economy is in a recession, consumers decrease their spending on luxury items. Harley-Davidson motorcycles are considered a luxury item rather than a necessity. Currently the brand is valued around 5.5 million USD. When the 2008 recession hit the U.S. economy, the decrease in the value of the brand drops from 8.6 million USD to 4.25 million USD in the matter of a year. The value of the brand reached its most recent lowest value at 3.2 million USD in 2010. The economy started to recover in 2011 and the company's value has been having a steady increase in value since (6).

Harley-Davidson offers five different model types of motorcycles: Touring, Sportster, Dyna, Softail and V-ROD. The Touring motorcycles have heavy frames, bags, and wheels that can be 16 or 17 inches. The Sportster motorcycles have unitized motors, have distinguishable pushrod tubes that run parallel to each other that are atypical for Harley motorcycles, and usually start with the letters XL before the rest of the name. The Dyna motorcycles are less expensive motorcycles with exposed rear shocks and higher handlebars. The names typically start with FXD. The Softail motorcycles have rigid-rears and different sized tires in the front and back of the vehicle. The most popular motorcycles under this category are the Heritage Softail, the Fat Boy, and the Night Train. The V-ROD motorcycle have liquid cooling engines that are different than other models and have names starting with VRSC (7). The motorcycle producer also offers a variety of products that range from accessories for the motorcycles to clothing to toys.

## **The Power of the Harley Davidson Brand**

According to the annual product reliability survey provided by magazine “MotorEagles”, Japanese brands are more reliable than other motorcycle brands, but Victory and Harley-Davidson got the highest score in customer loyalty (8). So, if reliability isn’t driving brand loyalty, what is? The answer is the following: the best product, same mindset as customers, trust in the brand, and customer service.

When we talk about the reasons for customer loyalty of Harley-Davidson, it starts with building the best product for their customers. Their motorcycle components are stronger, lighter, and longer-lasting. Take their centrifugal-clutches as an example, which when driven contain anti-stall technology. This innovative technology makes them unlike any other motorcycles in the market. They not only prevent engine stalls related to clutching issues, but also make the riding experience more comfortable and more fun (9). From the manufacturing aspect, Harley-Davidson implements Statistical Operator Control (SOC) process that involves using simple statistical techniques and control charts to monitor the variation in a work process. With this method, their employees can monitor the whole process of production to check if it is operating effectively. If some problems exist, they can quickly find them and immediately stop the process and fix or quickly inform management about the problem (10).

Some loyalty is partially based upon the company agreeing with customer beliefs. To most of their customers, Harley Davidson is not just a motorcycle brand, it’s also a symbol of freedom, passion, individualism, and power. To Harley Davidson, their customers are not just customers, they are members of Harley family, heirs of the American spirit. Unlike many other motorcycle manufacturers who sell just bikes, Harley Davidson also sells culture and spirit associated with

the motorcycle. This kind of spirit enlivens their customers and allows Harley Davidson to stay connected with its customers.

After nearly a hundred years, Harley Davidson has become a sign used by young people to show their freedom, rebellion, and competitive spirit. The most innovative action is that in 1983, Harley-Davidson established Harley Owners Group (H.O.G). The reason for Harley to create this organization is to find an easier way for their members to share their driving experience. H.O.G developed rapidly, and in 2017 the number of members surmounts to 325,000 and has 940 chapters around the world. The HOG members participate in rallies and charity events together to build the sense of community (11).

Customers have great amounts of loyalty to Harley-Davidson because they trust the company. Trust is the key to maintain a strong relationship. They believe that both the technicians and salesman in Harley-Davidson are all experts in that field. Harley-Davidson has built friendships with their customers. With this kind of friendship, customers feel confident that Harley-Davidson is reliable and the quality is ensured. When we interviewed a Harley-Davidson salesman we asked this question, “why do you believe customers are so loyal to the Harley-Davidson Brand?”He answered: “Harley has been around for over 100 years. You come for the experience and the feel of the motorcycle. You will always be acknowledged like a friend at the dealer and it is more of a reliable motorcycle than others in the market”. If a brand has high level of trust like this, there will be a greater number of recommendations to other consumers and more loyalty gained from its customers.

Providing great customer service also helps Harley-Davidson keep a lot of customers. Harley-Davidson offers their customers and dealers a comprehensive after-sale service. It not only provides wholesale financial services to its dealers and instalment lending for the purchase of new and used Harley-Davidson motorcycles, but also offers point-of-sale protection products

and sales training to Harley-Davidson dealers in both the US and Canada. Customers have different needs leading Harley-Davidson to provide customization services. They bring the exclusive parts, processes and expertise together so every customer can build their one-of-a-kind Harley Davidson motorcycles.

Harley-Davidson has a strong core group of customers of Caucasian males between the ages of 45 to 60. These Baby Boomer customers have known the brand their entire lives and continue to live the Harley lifestyle that the company developed. Harley's niche riders are limiting potential for the brand to survive, so Harley-Davidson has been expanding to the following groups: females, Generations X, Y, Z, and minority riders. In the appeal toward female riders, Harley has developed lower, lighter motorcycles for female customers. The motorcycle producer has also been producing motorcycles that are sleek in design, taking design ideas from the Batman comics and creating a more welcoming environment toward younger and minority riders (12).

## **Survey Results**

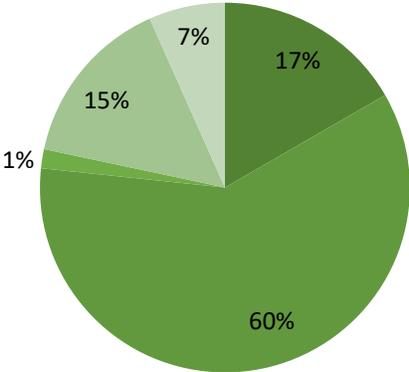
We conducted a survey about Harley-Davidson in the United States and in the Czech Republic that contained over seven questions. Most of them were open and asked for further informations. The following comparison is based upon four of the questions that were similarly asked for better comparison, and then are mentioned another questions from our survey. There were 60 respondents in Czech side of questioning.

The first question is asking about the positioning of Harley-Davidson and its strength in the global market place. Figure 3 contains the Czech Republic results. In comparison with U.S. results, they are not so different. The main difference is, that American see Harley as a leader in the industry and Czech find Harley just as one of the strongest brands in motorcycle industry. So,

these results show that people within the US have a strong image associated with Harley Davidson and that the brand successfully competes with Japanese brands. When we conducted the surveys, it is possible to see that the group questioned is primarily from Wisconsin, where Harley has its headquarters and has a greater association with the state. Harley has parades of motorcycles driving down the streets and has police officers riding the motorcycles across the Milwaukee area. In Czech results could be biased by how expensive the motorcycles are and the strong brands that are in Europe. Overall, Harley's image is strong within the US, but it has some competitive views within the Czech Republic.

Figure 3 - The strength of the Harley-Davidson brand - CZE

### How do you see the position of H-D on a global market? Is it a strong brand?



- H-D is in the market unsuccessfully fight with a lot of japanese brands of motorcycles
- H-D is in the market succesfully fight with a lot of japanese brands of motorcycles
- I do not see H-D as a strong brand
- Leader in a motorcycles industry
- It is not comparable

The second question is on how the motorcycle producer's logo makes the consumers feel. Figure 4 represents the US results and Figure 5 represents the Czech Republic results. Both countries display strong associations with the feeling of freedom with 59 percent in the US and 60 percent in the Czech Republic. The next highest feeling is the bad boy style with results of 23 percent in the US and 13 percent in the Czech Republic. The rest of the results show that in the Czech Republic it is viewed as more of a rebellion and as a piece of American culture to drive the motorcycles compared the people in the US who see it as an icon with freedom and individuality. Harley has successfully marketed itself and the image it wanted to create based upon our results.

Figure 4 - Logo perception - US

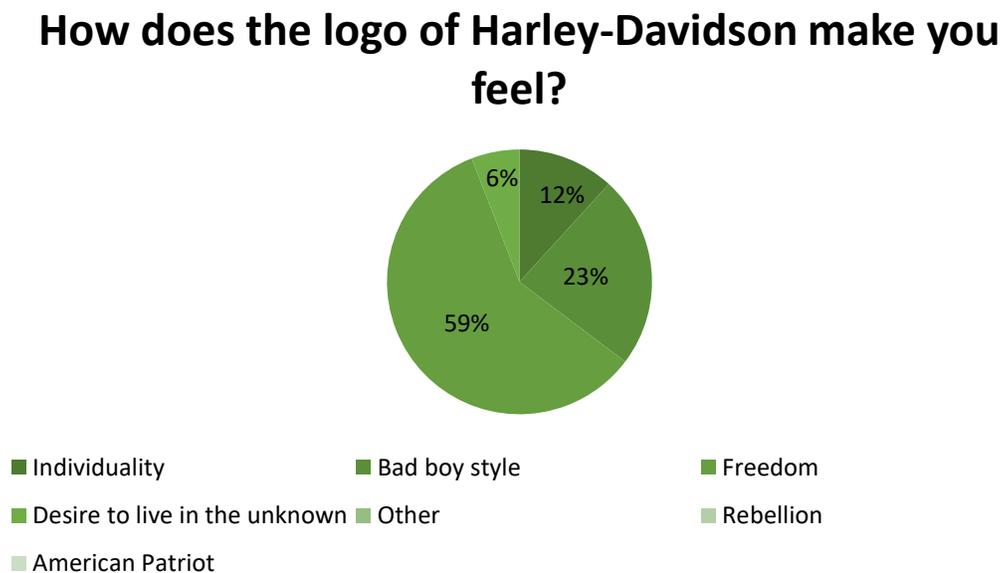
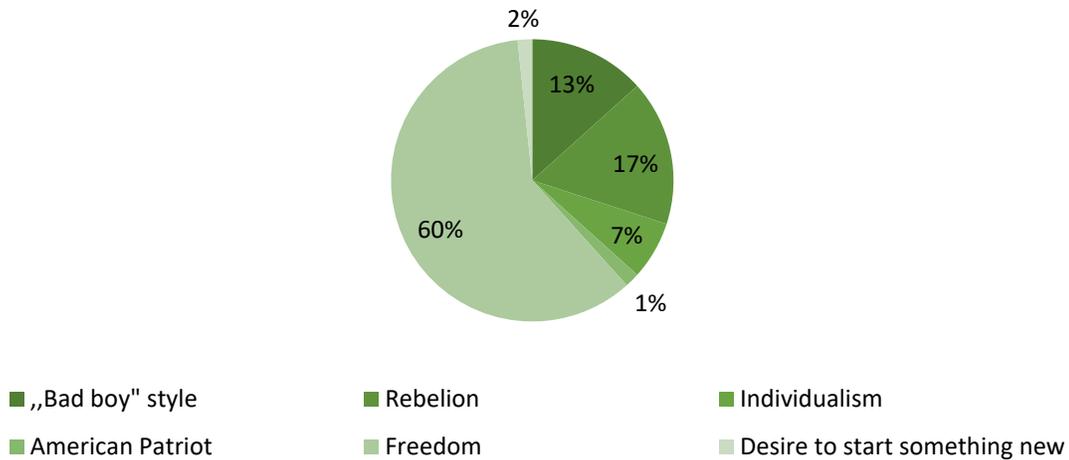


Figure 5 - Logo perception - CZE

### How does the Eagle logo of H-D make you feel?



The third question in our analysis is based upon the pricing within the US and the Czech Republic. We believe the US results are highly biased based upon our audience for the survey, who are mostly Marquette University students. 53 percent of the audience has no idea how much a Harley motorcycle costs and the other half believe that the motorcycles are appropriately priced (24 percent) and that they are overpriced (23 percent). In contrast, the Czech Republic has almost an equal three way split between overpriced (50 percent), appropriately priced (34 percent), and no idea on cost (13 percent). More motorcycle brands are prevalent in the Czech Republic and allow for easier comparison between brands. This argument can be countered by the accessibility to public transportation for consumers in the more densely populated areas of Europe. The price of gasoline can be a deterrent for people in Europe from driving a motor vehicle.

Figure 6 - Opinions on pricing - US

### What is your opinion on the price of Harley Davidson Motorcycles?

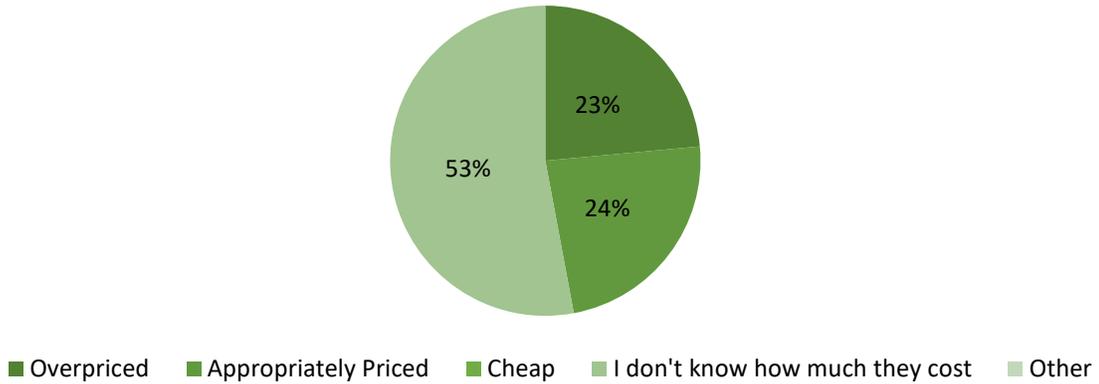
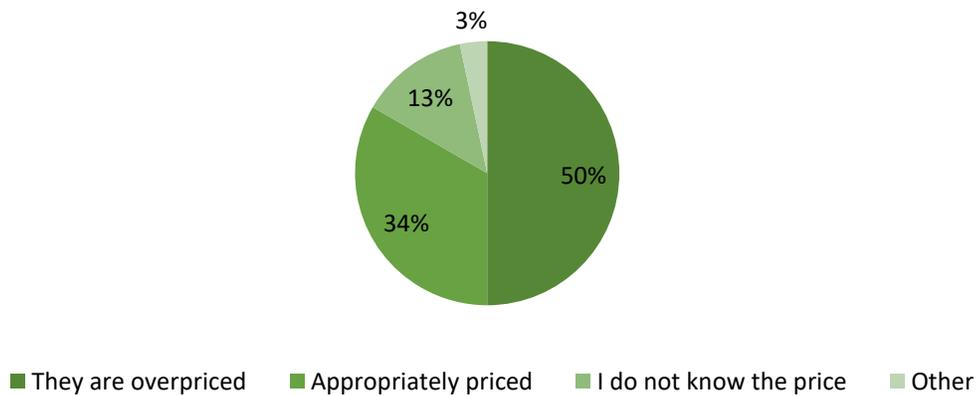


Figure 7 - Opinions on pricing - CZE

### What is your opinion on price-setting of H-D motorcycles?



Another question we asked is whether people believe that Harley has done enough promotion of the brand. Figure 8 is the US results and Figure 9 is the Czech Republic results. In the US, 47 percent of those questioned believed that although they do not see advertisements for Harley-Davidson, they believe that the brand is well represented. This could be because of the clothing and lifestyle of people in the US. In the Czech Republic, 41 percent of people do not

think that the brand is promoted well and that they never see advertisements. This displays that the Harley lifestyle is prevalent in the US, but has not become as known in the Czech Republic. The next highest is almost switched for each country. In the US, the answer that the promotion is not sufficient and that they barely see advertisements is at 29 percent. In the Czech Republic, their answer is yes and there are sufficient promotions but they don't see advertisements.

Figure 8 - Promotion - US

### Do you believe the promotion of Harley-Davidson is sufficient?

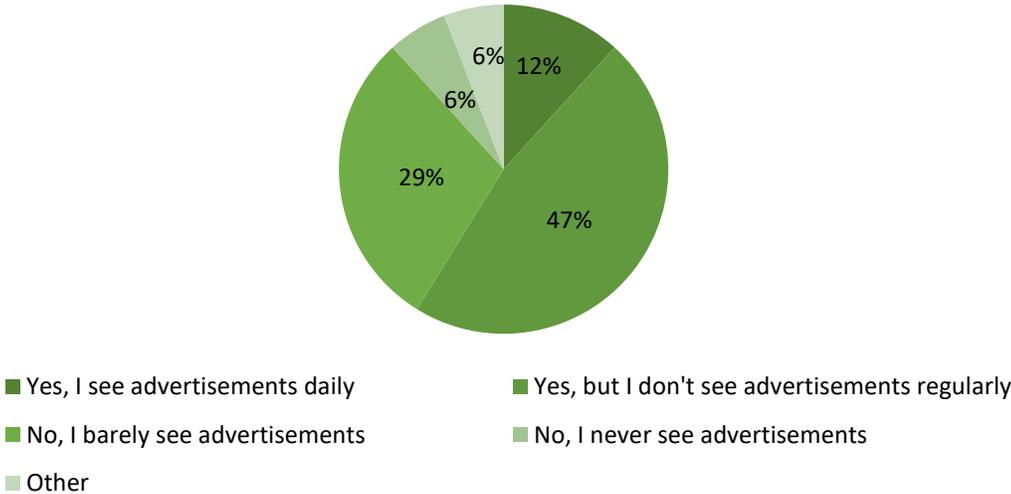
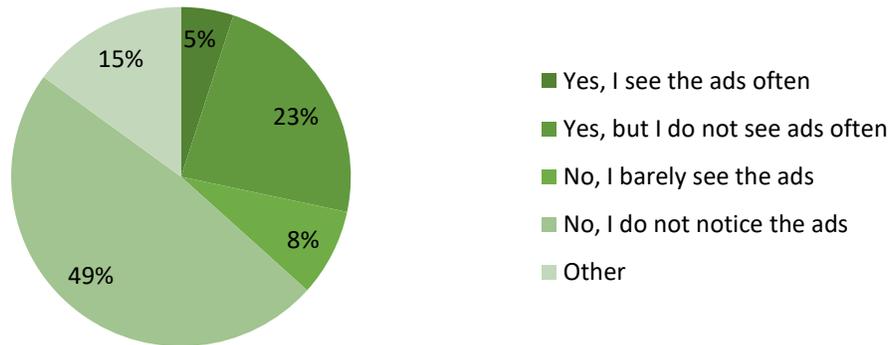


Figure 9 - Promotion - CZE

### Do you think the promotion of H-D is sufficient?



Following questions from survey were very similar between these two compared countries.

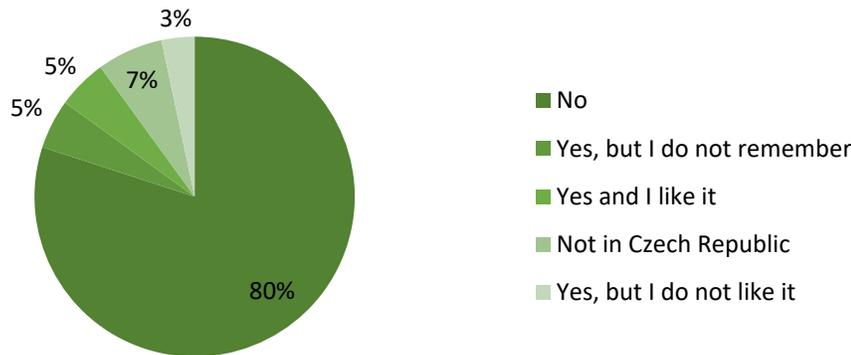
One of our questions was asking on what products can respondents see the logo of Harley Davidson. The usually responded the main objects as motorcycles, clothes, accessories, but also toys, dishes, wall decorations like posters, signs, calendars etc.

When we asked them on their opinion on typical Harley riders profile, they agreed that its caucasian man, between 40-60 years old, tattooed, with muscles or fat belly, they usually wear leather jackets or jackets without sleeves and they have facial hair.

Another question focused on advertisement, and the results are very similar in comparison between Czech Republic and U.S., the further informations are concluded in Figure 10.

Figure 10 - Advertising in CZE

### Have you seen any advertisements of H-D? If yes, how do you feel about it?



### SWOT Analysis

Harley Davidson is a globally recognized brand with strong customer loyalties and perception of American freedom. These have played well to Harley Davidson’s two most recognizable strengths of the brand: loyalty of customers and a strong global market.

First is the loyalty of the customers who provide the greatest strength in the market. Harley Davidson has been debated in numerous articles about whether it is a cult brand or if the brand just has great marketing. Per Agihotri, Harley aims toward selling the experience of owning a Harley motorcycle starting with its salesmen and the support system that they created around their motorcycles. One of the reasons that Harley has such a loyal customer base is because of the initial purchasing environment that the company created. At a Harley dealer, you can see three different groups of people: sales and marketing, mechanics and legal, and finally financial and human resources (Agihotri). The sales and marketing are the first line of people. They will welcome you and show how wonderful the brand and group are that you can become a part. The mechanics and legal will ensure that you are road safe and that you have proper care

for your motorcycle. The final group is finance who ensure that a customer can own a motorcycle through different financing options and the people in human resources have instilled a no layoff policy and have tried to make the community as welcoming as possible (13).

Beyond the dealer, it is possible to join Harley Owners Group (HOG). HOG has membership types, benefits, and events available. On the Harley Owners Group website, it lists the details of memberships. The best is the full membership where a customer can get a pin, patch, roadside assistance, exclusive access to HOG events, the HOG magazine, and the edition of the Touring handbook. The benefits of joining are the same as listed previously except for the addition of free admission to the Harley Davidson Museum in Milwaukee. The events range from runs to races to rallies. Each rally offers pins to the members who participate in them and allows riders to compare where they have been and the camaraderie associated with it (14). Another reason for loyalty could lie in the fact that Harley riders can customize their motorcycles to what they want, rather than purchasing a motorcycle that is completed. On the Harley website, it is divided by categories ranging from audio to windshields. Each piece can be added by a local Harley mechanic or by a customer (15).

Second is the strength in the global market. On Harley Davidson's 10-K, it states "the Company distributes its motorcycles and related products to a network of independent dealers located in 97 countries worldwide" (16). At the end of 2016, Harley had the following independent dealerships by location:

Figure 11 - Dealership by locations

	<b>United States</b>	<b>Canada</b>	<b>Latin America</b>	<b>EMEA</b>	<b>Asia Pacific</b>	<b>Total</b>
Dealerships	701	67	58	386	249	1461

Source: <https://www.sec.gov/Archives/edgar/data/793952/000079395217000007/hog12-31x201610xk.htm>

With this many locations worldwide and over 1400 Harley Owners Groups, the brand has a large presence. 77 percent of sales in 2016 occurred in the United States and European market (16). For the US in 2016, there were 311,700 new motorcycle registrations and 159,500 new riders joining the Harley network (16). For Europe in 2016, there were 391,900 new motorcycles sold and 42,300 new riders joining the Harley network (16).

Harley Davidson may be an industry leader, but it also has weaknesses. Across the world, Harley is viewed as one of the most expensive motorcycle brands. In the article “Top 10 Motorcycle Buys” by Popular Mechanics, Harley has the most expensive out of the ten listed with a price of \$19,000 compared to second highest from Ducati with a price of \$13,000 (17). The price of the motorcycles deters customers from purchasing from this company. Another issue that Harley is having is its image. Harley’s demographics viewed from survey results and the salesmen at the Harley Dealerships state that many people view riders to be 45 to 60 year old Caucasian males. This image and the price do not promote high growth in younger motorcycle riders. Recent recalls made by the company have further caused issue for buyers. Those loyal to the brand and willing to trust Harley know that reliable service is always available and the

company will give it free of charge, but this hurts the personal image of the company in the media.

Opportunities for the company are decreasing costs, new motorcycle designs, and expanding into the global market. As stated previously, despite Harley having some of the highest quality in motorcycles, the price is too high for the average consumer. The average salary in the United States was \$48,098 in 2015 per the Social Security Administration (18). The 2017 Touring Road Glide was \$21,299 which is almost half of the average salary in the U.S. The 2017 Harley-Davidson Street 500 is closer to the customer market at \$6,849 with the most basic model. If prices were closer to the Street 500, more consumers would purchase the products from Harley. Harley-Davidson could also create a new line of motorcycles that are more appealing to younger customers. Per Harley's plans in their Q4 2016 PowerPoint, they want to release 50 new motorcycles in the next five years. Each new motorcycle will demonstrate the "strength and power of their products" (19). They will also attempt to change the consumer view of the Harley Motorcycle by making the motorcycles quieter, more ecologically friendly, and with sleeker designs to match preferences in the market. Harley plans on expanding its market by diversifying its products with the decrease in price, change in design, and creating more premium apparel. Also in Harley's PowerPoint, they plan on adding 150 to 200 new dealers between 2016 and 2020 in emerging and developing markets.

Per the 10-K released by Harley-Davidson, there are several issues that could threaten the company. First is that there is no promise of the future. With changes in the economy, political elections, and people being unable to receive loans from financial institutions, it is difficult to determine how this will impact sales or the financial stability of Harley-Davidson. President Trump's election and campaign promises could create issues for Harley because of its outsourcing of manufacturing and administrative jobs as well as taxes on revenues occurring

outside of the United States. Trump promised to bring manufacturing back to the United States and has been bullying companies such as Johnson Controls who moved its headquarters from the U.S. to Ireland. Although Trump is currently praising Harley-Davidson for its current avoidance of tariffs in India by producing motorcycle parts in the US and shipping the pieces to India for assembly, he could easily change his stance on the matter (20). Second, the company cannot be sure if the currently successful marketing campaigns toward 18-30 year olds will continue as planned. The current sales to Baby Boomers is transitioning to Millennials for the newest motorcycles from Harley-Davidson on the market. Third, the motorcycle industry is becoming highly competitive and Harley is losing market share. Consumers are expecting new innovative motorcycles with different styles and technologies while maintaining regulations for safety and emissions. With new innovations comes manufacturing flaws and the company has released several recalls already impacting their image. Upcoming recalls could incur lawsuits if anyone is injured from defects in manufacturing. Fourth, the company relies on third parties for raw materials. If the supply chain was to have issues and materials could not be provided to Harley with decent quality and without deficits, then the company could cease productions within its factories and must find other sources of materials. Along with materials, operating and administrative positions are outsourced to third parties. If the third-party provider decides to increase prices, Harley will have to seek out a new company to outsource or bring operating and administration back to Harley Davidson.

Another source of threats to Harley-Davidson are the competitors in the market. Honda is the number one motorcycle producer in the world and has a strong reputation for reliable motorcycles. Honda has the strategy that the company should immerse itself in the market and be adaptable to changing market conditions instead of taking instructions from its headquarters and being regional specific. The company also has a labor intensive workforce rather than relying

heavily on robots to produce, thus enforcing a creative atmosphere for solutions to problems. (21). In addition to this, Honda has been utilizing the market for weak Yen. It has been stealing away sales from Harley-Davidson's previously owned motorcycle pool to Honda's new models. It is less expensive to consumers to purchase a new Honda over a used Harley-Davidson (22). Yamaha is one of the most diversified producers of motorcycles and is the second largest producer of motorcycles in the world (23). The company is also implementing a strategy to double its motorcycle operating profit by the end of 2018 (23). If the company was to incur a decrease in sales, it could continue to support its motorcycles until the motorcycle market improved.

In comparison to motorcycle styles, Ducati has a strong market in racing motorcycles and BMW and Triumph have a presence in the cruiser market. Consumers usually do not associate Harley-Davidson motorcycles with racing, but the Harley brand has its presence in this market. The last motorcycle competition that Harley won was the long-distance motorcycle jump record in 2010 (24), but Ducati has been winning the World Superbike competitions for the last 15 out of 18 Rider's titles and 16 manufacturing titles (25). The BMW and the Triumph motorcycles are strong competitors for Harley-Davidson motorcycles because of their presence in the cruiser market where Harley has most of its sales. BMW also has very strong customer satisfaction with 74 percent in the global market despite its maintenance issues (26).

## **Conclusion**

Harley-Davidson is an American icon but needs to continue working on diversification of products and customers. Although the company has strong loyalties in the United States, it does not have the same image and notoriety around the world. The brand itself is successful in inspiring its persona/image with its audience, but the motorcycles are expensive and lacking new designs. Market strategy can be further strengthened by the company's plan stated for the future of new motorcycles and new customer groups.

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# **The value, development and importance of the hotel brand Hilton**

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Yanchao Li, Anna Cingrošová

## Introduction

Along with the fast development of the economics, the hotel industry is developing as well. This essay is going to analyze the present situation of the hotel industry and how the hotel industry becomes global. Moreover, it also takes the famous hotel, Hilton Inc. as the case to help understand the marketing strategies for the hotels when it is in the era of globalization. We are going to focus on researching the historical development of hotel Hilton and its brand. In addition, we will identify how Hilton keep its brand and finally we'll investigate its marketing activities using questionnaires to compare the companies' performance between the US and Czech Republic.

### 1. Brand

The brand is defined as *“name, term, design, symbol or combination thereof, which are intended to identify the goods or services of a seller or group of sellers and to distinguish them from other seller's good and services.”* (Kotler, 2007)

Today's customers don't see the brand just as a product. The brand, especially from the point of view of the market, is much more, it is the promise of a certain standard. (Healey, 2008)

The brand helps customers better orient themselves in the crowded market. Products marked with a strong and good brand are considered to be of high quality and in the eyes of customers, they are usually take precedence over the unknown. This rule applies not only to material goods but also to services.

*“People choose brands not only for their useful value but also because some brands show certain aspects of personality of the user.”* (Chernatony, 2009) The brand may not only show certain features of the human person, but may also symbolize the lifestyle.

However, the brand isn't important only for customers but also for companies that make brands. The strong and reliable brand in the eyes of the customers represents a long-term source of profit

for the company and at the same time increase the potential of such a company on the market.

The company becomes more visible and can attract more customers. (Kotler, 2007)

The term **branding** is the process in which an unknown product is assigned brand. The essence of branding is to create a branded product that will differ from products of the same category and will be demanded by customers. (Keller, 2007) It is important to create the idea in the minds of the customers that there are differences between products. It is essential to convince them of the brand's uniqueness and convince them that this brand is something they need, something that competition can't offer them. (Kotler, 2007)

## 2. Globalization of hotel industry

In recent year, we have witnessed the surge of well-known hotels stretching out by setting up new subsidiaries and spreading their brand values all over the world. In particular, one of the major hotel Accor has been seeking every chance to stretch out their operations globally (Chen, He&Gu, 2013). From both academic and practical perspectives, it is undeniable that the pace of globalization is increasing in the hospitality industry, has brought hotel chains numerous advantages and benefits.

Due to Globalization, the customer base has increased greatly. People travel not only for holidays, but business, health and various other purposes too. Thus, this has increased the market for the hospitality industry, which gets its major income is from international visitors. This result in expand of the market. In addition, since one wants to attract as many tourists as possible, hospitality organizations constantly need to upgrade and improve their products and services. For example: Singapore Flyer, using faster and newer technology in hotels to so that the customer is satisfied. And it is possible due to globalization.

However, failures caused by global expansion also could be seen as they scale up to achieve a global appearance. Big hotel groups coming to India creates a huge mess for the small hotels owners. There is always a problem for employees as big hotels owners will take away the employees giving higher salary and opportunities. Nowadays small hotels are being extinct and there is a huge increase in hotels coming from outside of India.

There are still some challenges for US Hotel Industry in 2017. President Trump's executive order to ban refugees from entering the U.S. for 120 days and to bar travel to the U.S. by citizens of seven Muslim-majority countries, some of Trump's policies may lead to unintended decline in booking. The costs required to run a hotel have climbed since 2014, which means that operators need to compete on price with other suppliers like Airbnb. Therefore, it is significantly important for the hotels to take different methods to deal with the different problems brought by the globalization. The Hilton Inc, as the most representative top hotels all over the world could help us understand how it analyzed the characteristic of the global market and how it made the marketing strategy.

### 3. About Hilton Worldwide Company

Hilton Worldwide company is one of the largest and fastest growing global company in the field of hotel services and hospitality. The company provides its customers the opportunity use the accommodation establishment of different categories ranging from the cheapest to the most luxurious hotels and resorts for almost 100 years. The company established a portfolio of 14 world-class brands including Hilton Hotels & Resorts brand which is one of the most recognized hotel brand in the world. Brand companies can be found in 104 countries and territories around the world. Customers can enjoy more than 4 900 properties that offer over 800 000 rooms for guests. The property of Hilton Worldwide is constantly increasing construction of new hotels or expanding brand under franchising.

### 4. Development of the company

For the birth of the brand of the hotel chain Hilton Hotels & Resorts stood at the beginning renowned American investor and businessman Conrad Nicholson Hilton. The emergence of the brand dates back to 1919 when Conrad Hilton was coming to Texas. He bought here The Mobleys, a hotel in Cisco and reconstructed it with his partner L. M. Drown. They hired staff and started a business. C. Hilton had here for the first time an idea which later becomes the basic for all its hotels – „Sept de corbs “(spirit of unity). (Hilton, 1994)

In 1920 Hilton bought more hotels. These are the Melba hotels in Texas and the Waldorf in New York. While business is strong Mr. Hilton has greater ambitions. 5 years later he completed and

inaugurated his own hotel, the first hotel that bears his name Hilton hotel in Dallas. At that time, there was no air conditioner. To protect his guests from the hot sun, placed strategically all elevators, laundry, air ducts and other necessary equipment on the west side which isn't so exposed to sun. (Hilton Worldwide, 2017)

Hilton hotels began then to grow very quickly. The owner invested in the construction of other buildings and added hotels Marlin, Plainview, San Angelo and Lubbock. Hotels were shaped by the idea that Hilton called "Minimax". The slogan of the company was: "Customers of Hilton hotel pay the minimum price for maximum service." This system was based on the idea that every hotel had two sets of prices. The maximum amount and the minimum amount that can be charged for guest's room. Hilton wanted to guarantee guests maximum service, so in all guest rooms there were fans, bathrooms and telephones. (Hilton, 1994)

In 1929, the stock market collapsed engulf the Great Depression. Hilton still did not go down and in the year 1930 opened the El Paso Hilton hotel in Texas. The hotel had 300 rooms and with its nineteen floors was at that time the largest building in El Paso. At that time, Hilton had already 8 hotels. Due to the impact of Great Depression were hotels increasingly visiting less and less customers and revenues were declining. Hilton was trying to save wherever he could. That's why he closed some floors to save light and heating costs. (Hilton, 1994)

Conrad Hilton was forced to resolve this situation with a loan 300,000 \$. He wasn't able to repay this loan and in 1931 the Moody family who borrowed him money took all his hotels into possession. Hilton was employed as a manager at their National Hotel Company where he managed their and his hotels. In 1932 both partners decided to divide again. However, this separation didn't proceed smoothly. It was accompanied by many litigations and property conjectures. Hilton eventually got back 5 of his 8 hotels. ([www.fundinguniverse.com](http://www.fundinguniverse.com))

In 1938 Hilton bought his first hotel outside Texas – a Sir Francis Drake building in San Francisco. This hotel was sold two years later for 500,000 \$ to acquire capital to buy the world's largest hotel – Stevens in Chicago. In 1943 with the purchase of the Roosevelt and Plaza hotels

in New York City, Hilton became the first hotel chain that stretched from one coastline US to the other. (Hilton, 1994)

In May 1946 was founded Hilton Hotels Corporation, which was the first hotel company whose shares were listed on the stock exchange (New York Stock Exchange). In the same year, the company bought hotel Mayflower and changed it's slogan to "Across the Nation".

In 1947, the Roosevelt Hilton hotel in New York was becoming the first hotel in the world to introduce the television into the guest room. (Hilton, 1994)

In 1948 Hilton Hotels Corporation became the first hotel company that own multi-hotel reservation system, Inter-Hilton Hotel Reservation System. This step was the beginning of a modern day booking system. ([www.news.hilton.com](http://www.news.hilton.com))

A year later the subsidiary Hilton Hotels International was established and put into operation the first hotel outside the United States of America – the Caribe Hilton in Puerto Rico. The hotel opened it's door with great glory and the legendary bartender Ramon "Monchito" Marrero in this honor created the world-famous cocktail Pina Colada. In the same year, the company changed the slogan from "Across the Nation" to "Around the World". Conrad Hilton bought the Waldorf Astoria Hotel in New York for 7.4 million dollars and became the first hotelier whose photo was published on the cover of prestigious Time magazine.

The first hotel in Europe was opened in 1953 in Madrid – Castellana Hilton. It was the first step in the way to expanding the brand to the whole world. (Hilton, 1994)

The largest merger came in 1954 when Hilton bought Statler Hotel Company for 111 million dollars, which at the time was the largest real estate deal ever. Hilton Hotels got 8 other hotels and 2 under construction. ([www.fundinguniverse.com](http://www.fundinguniverse.com))

A year later in June was opened the first modern hotel in Europe, built after world war II. This hotel became the only hotel that was ever displayed on a postage stamp. The company has invested millions of dollars and introduce air conditioning in every hotel around the world. In the

same year, Hilton created the first central reservation agency HILCRON. Reservation could be made at any time at any hotel by phone. ([www.news.hilton.com](http://www.news.hilton.com))

Hilton hotels were growing all over the world and in 1956 the company signed hotel construction contract in Japan and other countries.

The philosophy of Conrad Hilton on which all it's hotels are based is based on the followings seven theories:

1. Every hotel has to be an individual personality geared to the requirements of the country and the city. This means, among other things, to ensure the selection of good managers and to entrust them the powers they need.
2. Estimate how many employees each day in each department for the next month and how much the purchase will be critical to meet the operational requirement and profit.
3. Purchase volume. Of course, some purchase must be done locally but other items such as matches, porcelain, soap, carpets and other items are purchased in large quantities directly from the producer which brings savings to the company.
4. "Digging gold". This item indicates the use of all available hotel areas to maximize profit.
5. Train good workers in such way that business standards are adhered to and ensure the optimal development of the company.
6. Great sales effort including good advertising, promotion, publicity, smart ensure of shares and agreements.
7. Internal hotel reservation system. (Hilton, 1994)

In the following years, Hilton hotels opened around the world. In 1963 Hilton manages 32 hotels in the US and 29 international hotels. The company's assets were about 296 million dollars.

In 1964 Hilton Hotels International separated and became a separate company with Conrad Hilton as president. Hilton Hotels Corporation retained it the exclusive right to operate Hilton hotels in the US and Hilton Hotels International could run Hilton hotels anywhere else in the world. President of Hilton Hotels Corporation became Conrad's son Barron Hilton.

([www.news.hilton.com](http://www.news.hilton.com))

Another breakthrough in customer services came in 1973 when Hilton developed the first central reservation system HILCRON. This system at that time became the most perfect system of booking reservations and was used by companies Hilton Hotels Corporation and Hilton International until 1999. ([www.news.hilton.com](http://www.news.hilton.com))

In 1975, the company sold the 6 largest hotels to Prudential Life Insurance Company for 85 million dollars. Hilton, however, continued to manage this property in exchange for share of revenue and gross profit. This business has become one of the first leaseback management in the industry, which was later considered to be common practice in the industry. ([www.news.hilton.com](http://www.news.hilton.com))

In 1979 founder Conrad Hilton died at the age of 91. Barron Hilton continued his strategy of running casinos, gambling, leasing and franchises. Six years later the casino represented 40 % of the company's revenue. Another two years later Hilton introduced its first guest loyalty program – HHonors. The availability of Hilton Hotels was almost 70 % at the end of the decade and the company's total wealth was estimated at between 4-6 billion dollars.

In the early 1990s the company introduces another brand – the Hilton Garden Inn. A year later the company penetrated the world of the internet through its first website [www.hilton.com](http://www.hilton.com). Computer users could now book their stay 24 hours a day.

In 1996, the company changed its leadership and the first man who is not from the Hilton family – Stephen F. Bollenbach gets the lead. ([www.fundinguniverse.com](http://www.fundinguniverse.com))

Terrorist attacks in New York in September 2001 had a great impact on the world, nor is Hilton an exception. Slowdown in traffic and the fall of the economy has meant the biggest drop in stock and sales over the last 10 years for the company. ([www.fundinguniverse.com](http://www.fundinguniverse.com))

In 2002, the company introduces Hilton Resorts, the first collection of holiday luxury resorts in exotic locations. A year later the first websites in local languages were created for Great Britain, Germany, Japan and Scandinavia. ([www.hiltonworldwide.com](http://www.hiltonworldwide.com))

2006 is an important milestone in the history of society because after 40 years Hilton Hotels Corporation and Hilton Hotels International have joined again and together expanded the brand portfolio to the entire world. Three years later the company and its brands have been operating in 76 countries worldwide. ([www.fundinguniverse.com](http://www.fundinguniverse.com))

## 5. Introduction of Hilton in US & Czech Republic

Hilton Inc. (formerly Hilton Hotels Corporation and Hilton Worldwide Holdings, Inc.) is an American hospitality company which manages and franchises a portfolio of hotels and resorts. It was set up by Conrad Hilton in 1919, and was led by Christopher J. Nassetta now.

Hilton Inc. is headquartered in Tysons Corner, Virginia. In December 2016, the whole portfolio of Hilton includes 4,922 properties (including 804,097 rooms) in 104 countries and territories<sup>1</sup>. Prior to the IPO in December 2013, Hilton Inc. was ranked as the 36th largest privately held corporate in the United States by Forbes (Hilton Worldwide, 2016).

Hilton has 13 brands in different market segments, such as Canopy by Hilton, Conrad Hotels & Resorts, Curio - A Collection by Hilton, DoubleTree by Hilton, Hilton Hotels & Resorts, Embassy Suites Hotels, Hilton Garden Inn, Hampton Inn, DoubleTree by Hilton, Homewood Suites by Hilton, Home2 Suites by Hilton, Hilton Grand Vacations and Tru by Hilton, Waldorf Astoria Hotels & Resorts, and Tapestry Collection by Hilton.

Picture 1: Brand portfolio of Hilton company



Source: <http://www.hiltonworldwide.com/portfolio/>

Hilton became a public company on December 12 of 2013, raising the fund estimated \$2.35 billion in its second IPO. The Blackstone Group holds a 45.8% of shares in the company (Forbes.com. 2010). HNA Group, in October 2016, agreed to acquire a 25% equity interest in Hilton from the Blackstone Group, reducing Blackstone Group's interest in Hilton to approximately 21% The transaction is expected to close in the first quarter of 2017(Yu, 2016).

In 1919, Hilton was set up by Conrad Hilton in Cisco, Texas. From 1969 until 2009, it had its headquarters in Beverly Hills, California. In August 2009, the company was moved to Tysons Corner, unincorporated Fairfax County, Virginia.

There are two Hilton hotel & resorts in Czech Republic named “Hilton Prague” and “Hilton Prague Old Town. Both of them are located in Prague, capital city of Czech Republic. The most famous one Hilton Prague is located in the city center. The 11-floor hotel was built in 1989 and opened as the "Atrium Hotel Prague". In 1991 Hilton took over the hotel and put it up for sale in November 2014.

## 6. Vision, mission and brand values

The Hilton brand focuses primarily on the customer and is based on the belief that the guest must feel comfortable and satisfied and services must be uniform and high-level to come back. The Hilton Hotels & Resorts believe that success is built on the four pillars which are excellent customer care every day, the constant quality of services and products, the support of employees in their growth and success and last but not least the profit leading to the growth and development of the company. These pillars aim to fulfill the vision and mission of the brand.

The vision has changed over the years but the essence remains. At present, the brand presents its vision with the words of its founder Conrad Hilton: *“We have a responsibility to fill the earth with the light and warmth of hospitality.”*

The strategic mission of the brand and the company is: *“Become a world-class global company – the first in the selection of guests, employees and owners.”* The brand’s mission statement is that it seeks to be of interest not only to the guest when choosing travel accommodation, but also for current and future employees as a prestigious employer.

## 7. Global market share

The global hotel industry is fragmented. It has a number of small and medium-sized companies. Because of intense market share competition among companies (Sahoo, 2011), there’s no single company in a position to dominate or influence the industry as a whole.

Hilton is a hotel company that’s growing quickly. It has the highest global market share by room supply of 5%. Hilton’s operations are concentrated in the U.S. However, it has started to grow its presence in the international market. It has a higher market share of 9% in the U.S. It has a relatively small share of 3% in other regions in the Middle East and Africa, 1% in Europe, and 1% in the Asia Pacific region. When compared to Czech Republic, the Hilton Worldwide Holdings Inc. attracts a 1% market share (Hilton, 2017). The firm catered to the needs of hotel owners and estimated that there were several billion dollars of real estate invested in the Hilton brands, and as a result Hilton becomes more profitable. Hilton Inc. explained that one key measure of their success was the willingness of owners to invest with them.

## 8. Analysis of Hilton's Marketing strategy

Marketing strategies are essential to ensure a company targets their customers appropriately. To make it more clear, I summarize Hilton's marketing strategies into five categories:

1) Product strategy. In the United States, Hilton has ensured that they develop new products that are identifiable with the customer demands establishing differentiation (Hilton, 2017). Their hotels could be departed from the following seven kinds, including airport hotels, business hotel, commission hotel, all-suite Hotel, resort hotel, Hilton holiday club as well as the Hilton garden inn. Hilton has developed and negotiated global and regional pricing agreements with hundreds of suppliers of hospitality products. They are able to secure the highest quality through our strategic sourcing solutions.

2) Service strategy. Hilton Hotels Corporation has defined itself as a brand management company which is devoted to providing excellent services to its guests, according to the data given, who collectively took over 50 million trips totally accounting for over 100 million room nights in the United States every year (Securities and Exchange Commission, 2016). They have included reward programs for their customers to retain them and made the hotel experience exciting for those with families. Additionally, Hilton in the U.S are training their staff consistently to cater for high-spending tourists (Reed, 2017). Due to this, their employees develop different styles to treat the travellers creating an international brand. What we should pay more attention is the online service all over the world because of the globalization of hotel industry. The Global Online Services team of Hilton is staying ahead of the competition in hospitality through advanced technologies, global scale, and key partnerships, they're able to drive demand, maximize revenue, and build strong customer relationships. The result is success in growing market shares across the entire portfolio of Hilton brands.

3) Feedback and information collection strategy. At each touch point, Hilton may collect personal information include your contact information; information related to your reservation to get to know better about guest preferences; marketing and communication preferences. Sometimes they will give their customers something to benefit in return of providing their information. Compared with Hilton in the US, Hilton in the Czech Republic normally

concentrate more on customer satisfaction (Reed, 2017). They provide high quality services to ensure upon their next visit, these travellers choose them so that they can position well in the country.

4) Distribution strategy. The ultimate aim of the distribution strategy for Hilton can be specified as making available the products and services to consumers where, when and how they prefer them. The official website of the company serves as an effective platform for service distribution as it is supplied with a wide range of features and capabilities providing practical assistance to customers such as booking a room, planning events and weddings, scheduling meetings and booking airport pick-ups.

5) Pricing strategy. Hilton only offers five star and four star rooms and the company is able to charge its customers at premium levels which has beyond the core product, Hilton also 'sells' a set of intangible benefits such as sense of achievement, high status and luxury.

Through these strategies, Hilton experiences certain advantages and disadvantage. The main advantage would include impressive the customer making it easier to access the hotel's facility (Hilton, 2017). Resultantly, they will have a good brand reputation and attract repeating travellers, therefore, increasing their market share even further. The primary disadvantage is that Hilton will experience increased costs since marketing strategies are expensive (Yu, Byun & Lee, 2014). The company has to adapt to industry changes and train their workers constantly, which will drain their finances significantly. In addition, Hilton in the US is apparently facing pressure competing with new trend of Airbnb due to its pricing method.

## 9. Research

### 9.1 Methodology

For our research, we decided to use questionnaires and discussion forum. The questionnaires were sent mainly to our friends, most of whom are students. We also looked into discussion forum for an objective evaluation, so that we also had a view from the real guests who have experiences with the Hilton.

### 9.2 Comparison of Hilton's Performance based on questionnaire

We set a questionnaire with several questions to obtain attitude of potential customers in both US and Czech Republic towards Hilton. To investigate the level of popularity of Hilton in US and Czech Republic, we set the questions to ask people to name three hotels they think is well known, then rank them according to their luxury and finally we asked them to write us what comes to their mind when someone says hotel Hilton.

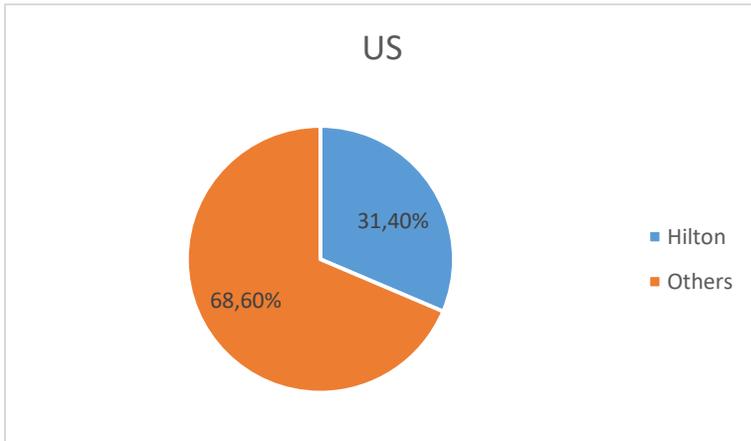
The first question was **Name three hotels you know**. It turns out that more than 50% of Czech mentioned Hilton. Unlike the high popularity of Hilton in Czech Republic, only 30% of American mentioned it and seldom of them ranked Hilton as the first luxury hotel.

*Picture 2: The results of question number 1 in the Czech Republic*



Source: Own creation (2017)

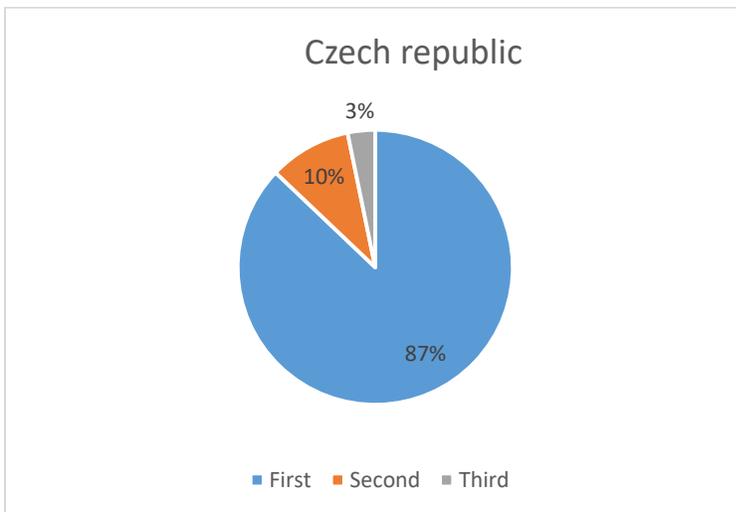
Picture 3: The results of question number 1 in US



Source: Own creation (2017)

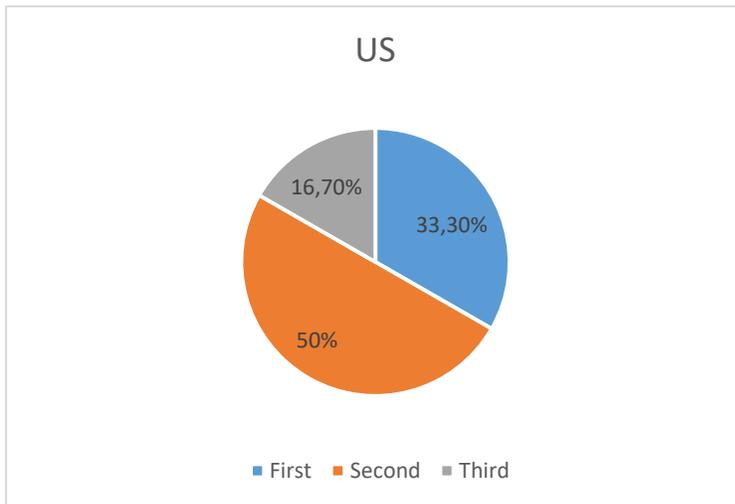
The next question was **Rank them according to the level of luxury**. Most of respondents in the Czech Republic have named Hilton as a the most luxurious hotel. It is clear that Hilton has a very strong position and is perceived as a strong and successful brand that guarantees quality. On the other hand, in the US just over 30 % of respondents designate Hilton as the most luxurious hotel. The reason may be that in US has Hilton very strong competition. In the US Hilton has many properties and the Americans don't perceive it as such luxury as the Czechs.

Picture 4: The results of question number 2 in Czech Republic



Source: Own creation (2017)

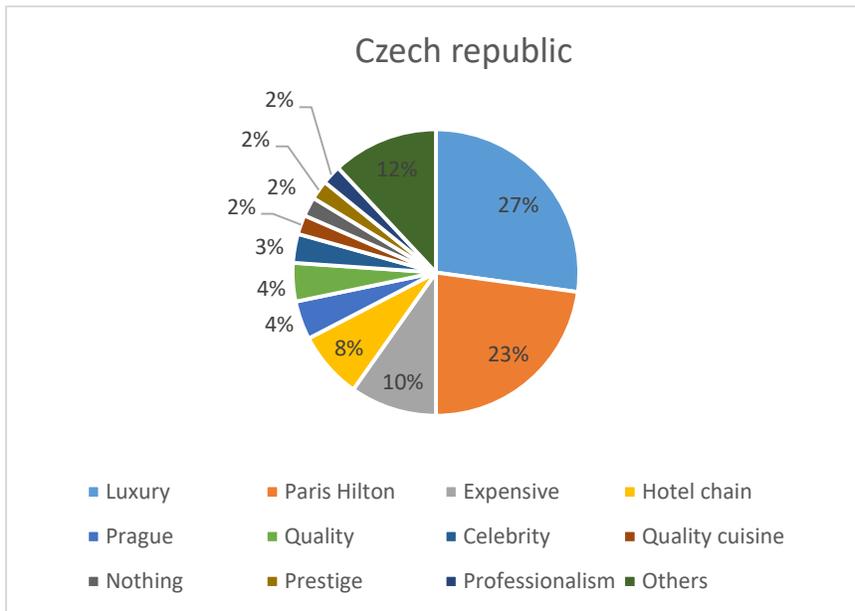
Picture 5: The results of question number 2 in US



Source: Own creation (2017)

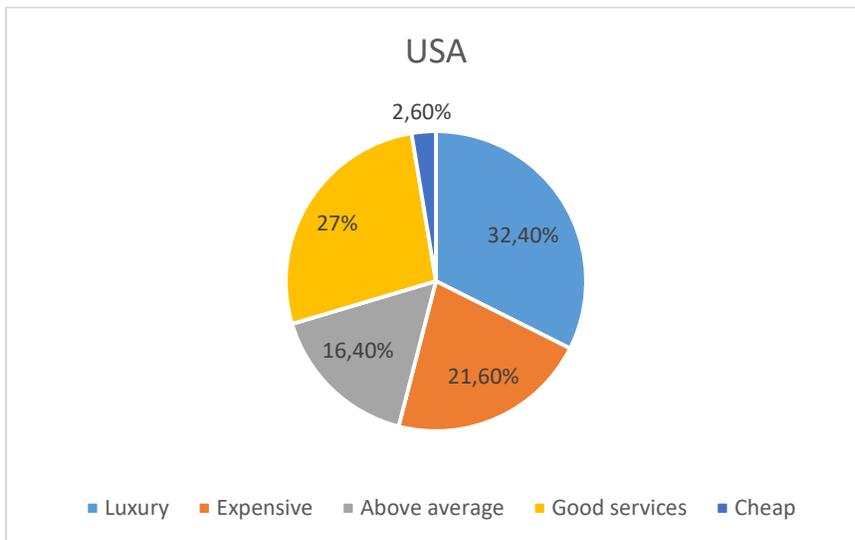
The last question was **What comes to your mind when you think about hotel Hilton?** There were also differences in the perception. The first thing which comes to mind of respondents in Czech Republic and US is luxury. Second place in Czech Republic is Paris Hilton but the Americans have not mentioned her. It means that in the minds of the Czechs is the hotel Hilton very closely connected with the whole Hilton family especially with current live members. In other replies respondents often agree. Because the Hilton in the Czech Republic is only in Prague, this city is also strongly associated with the brand in minds of Czechs.

Picture 6: The results of question number 3 in Czech Republic



Source: Own creation (2017)

Picture 7: The results of question number 3 in US



Source: Own creation (2017)

### 9.3 Discussion forum

After searching the reviews from related discussion forum like “TripAdvisor”, we found that there are 4,584 reviews under Hilton Prague and 2,000 reviews under Hilton Milwaukee City Center. Almost half of reviews under Hilton Prague state the experience is excellent. The percentage of complaining is higher in Milwaukee than in Prague. It’s obviously that the performance in Hilton Prague satisfied customers better in both location and service aspects. As the matter of fact, it’s not a “fair game” to compare data from these two cities because they are reviewed by different groups of people. As a well-known tourist city, Prague is much easier to attract travelers from all over the world. Instead, customer visiting Hilton in Milwaukee is mainly for domestic business.

Although the results from the questionnaire and discussion forum cannot show an absolutely accurate situation, they can reflect some facts. For example, the fix pricing strategy should not be applied to all the cities. Some new ideas and marketing tools are needed to promote performance of Hilton in general cities.

## 10. Recommendations

To ensure its sustainability in the industry, Hilton could use food and beverage as primary differentiators (Sahoo, 2011). With the increased demand of healthy products among consumers, they have dining change expectations. Therefore, Hilton can introduce new concepts to address these alternations, which will increase their revenue from this hotel department. Additionally, the company should increase their marketing campaigns making sure they promote new elements of its brands. Such a move has a high chance of enhancing the brands' profile, as well as, keeping them competitive in a market filled with multiple players.

On the other hand, to be the first choice of the travelers all over the world, Hilton Inc. should understand that they need enough volume of distinct products at different price points so as to attract the guests across the full spectrum of segments and guests with various reasons for traveling.

Effective communication is crucial in every business set up. Hilton hotel should set up a working flow system that will ensure that the management is always in touch not only with the workers and customers but also with other key stakeholders like suppliers, security service providers, media and potential customers.

From an accounting perspective, internal auditing is no doubt the key segment to improve the operation and management of a hotel. It's common that many at times resources are inappropriately allocated or misused. This has seen quality of customer services in hotels. The hotel management should regularly conduct audits in order to ensure accountability in the use of hotel resources.

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