



Advertising in Czech Republic

Radoslav Škapa



minikalkulačka **TESLA OKU 205**

RM

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aloobchodním prodeji za Kčs 700,-

KANCELÁŘSKÉ STROJE k.o.o.

Pižeňské pivo

Kčs 3,60

Praždroj

ČSN 56 6635

Pižeňský Praždroj
národní podnik
Pižeň

Rico STÁTNÍ PODNIK VEVERSKÁ BÍTÝŠKA - ZÁVOD MOŠ

OBVAZOVÁ VATA SKLÁDANÁ 250 g

vata

SKLÁDANÁ 250 g

PM 012 874/024/90/90 JK 055 122 330520 DRUH: 122 VSA/04 1790 MC

Lybar
lak
na vlasy

SMC
19
Kčs

instarmilk
banánový

instarmilk
vanilkový

instarmilk
jahodový

instarmilk

Witama

emgeton

C90 LN STEREO

CLEA

KING SIZE
20 CIGARETS & FILTERS

PIRELLA

1980



1998



1989



1999



2001



1993



2004



Top Trademarks in Czech Republic (2007)



Škoda Auto

- owner: Volskwagen AG
- biggest Czech car factory
- established in 1925



Pilzeňský Prazdroj / Pilsner Urquell

- owner: SAB Miller
- beer
- established in 1898



Budějovický Budvar / Budweiser

- owner: state enterprise of Czech Republic
- beer
- established in 1895

Bata



kofola[®] *original*

BECHEROVKA[®]

Bat'a

- owner: BSO (Bata Shoe Organization)
- shoes and leather accessories
- established in 1894

Kofola

- owner: Kofola Holding
- soft drink
- established in 1962

Becherovka

- owner: Pernod Ricard
- herb liqueur
- established in the end of 19th century



Mattoni

- owner: Ronaldsay
- mineral water
- established in 1867

Česká pojišťovna

- owner: Generali PPF Holding
- insurance company
- established in 1827

Staropramen

- owner: InBev
- beer
- established in 1870

Česká spořitelna

- owner: Erste Bank
- bank
- established in 1825

Value of trademarks

World (2007)

- Google (66,4 bil.\$)
- General Electric (61,9 bil.\$)
- Microsoft (54,9 bil.\$)
- Coca-Cola (44,1 bil.\$)
- China Mobile (41,2 bil.\$)

Europe (2007)

- Nokia (32,3 bil.\$)
- LVMH (29,8 bil.\$)
- Unilever (25,1 bil.\$)
- Telefónica (23,9 bil.\$)
- Vodafone (22,6 bil.\$)

Advertising in Czech Republic- historical overview

Until World War II situation similar to other
West European countries:

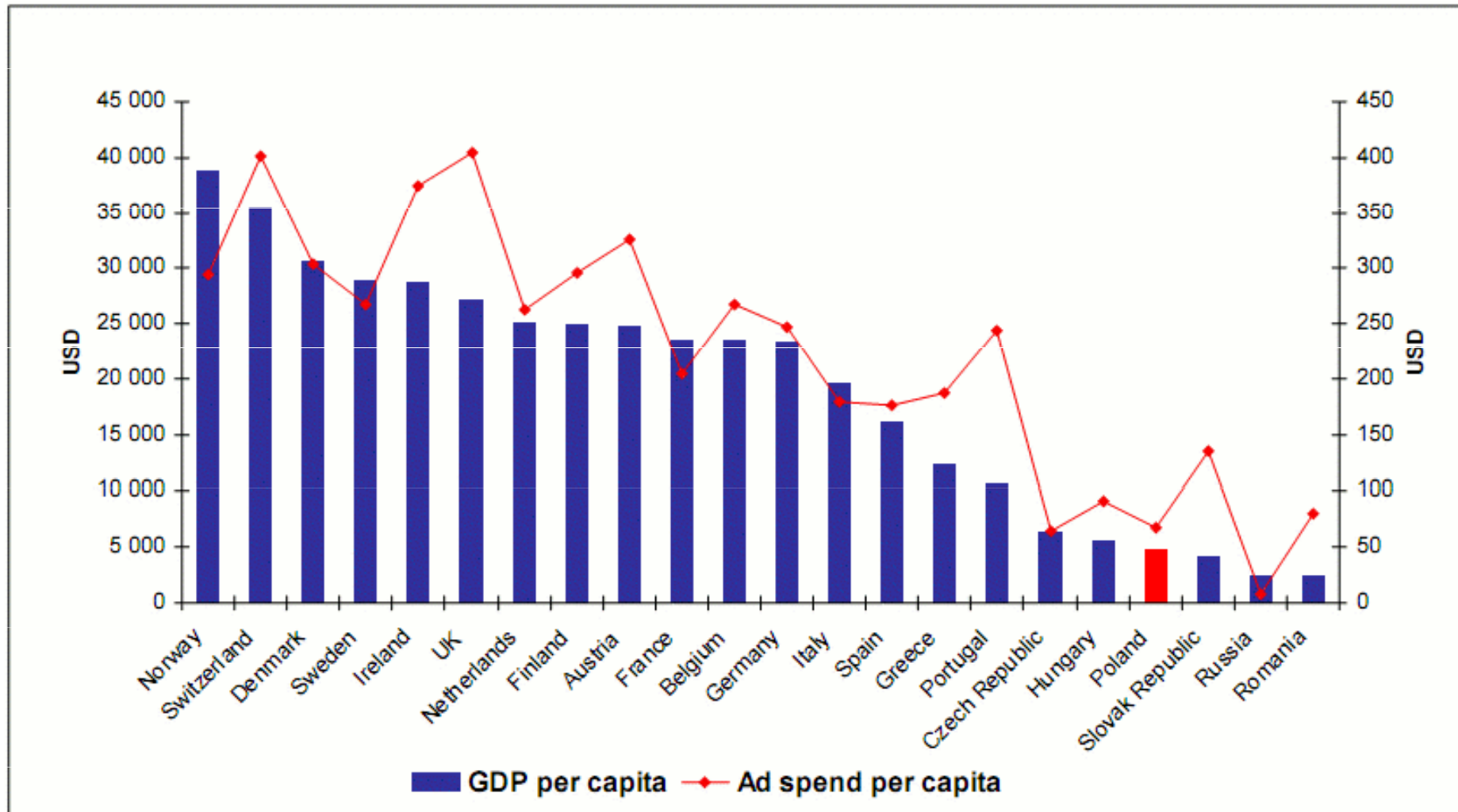
- High level of development of advertising
- Big companies had specialized dep. of promotion
 - Bata – 200 employes in promo. activities
 - Laurin & Klement/Skoda – 56 emp.
 - Koh-i-nooru – 10 emp.

Advertising in Czech Republic- 1948 - 1989

- Companies put under state ownership (nationalization)
- Advertising played marginal role in central planned economy
- A few marketing companies operating in Czechoslovakia:
 - **Rapid** – promotional activities in foreign markets
 - **Merkur** – promotion on domestic market
 - Broad variety of activities that had unstable quality
 - Lots of people having worked for those companies had formed advertising industry after the year of 1989.

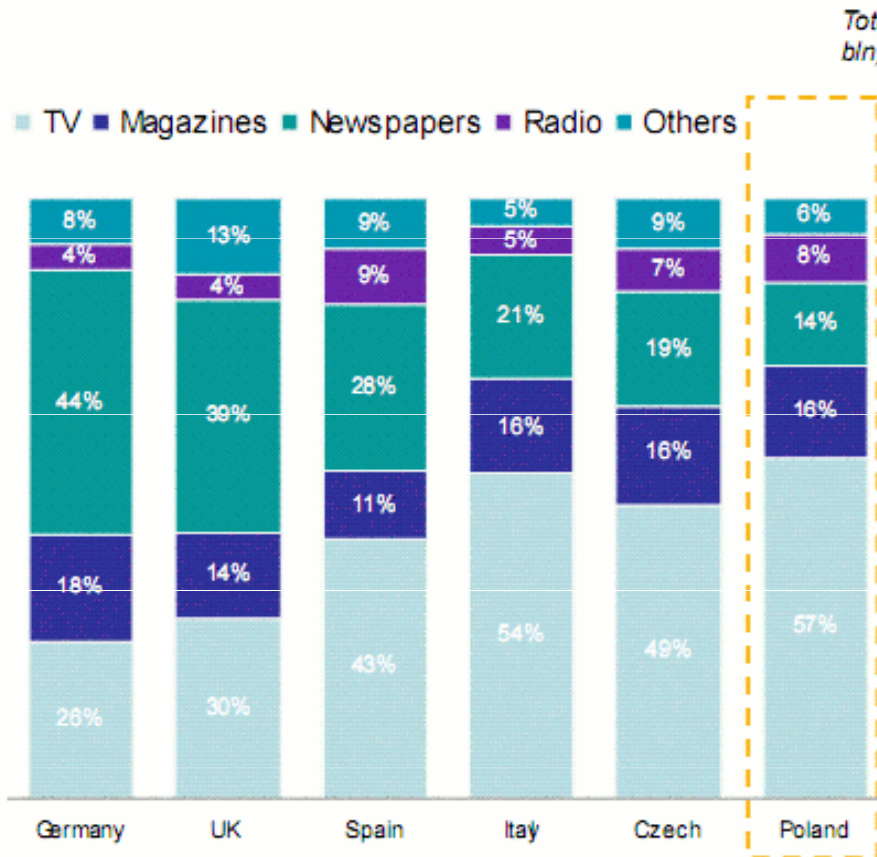
Contemporary situation in Czech advertising

Advertising expenditure per capita

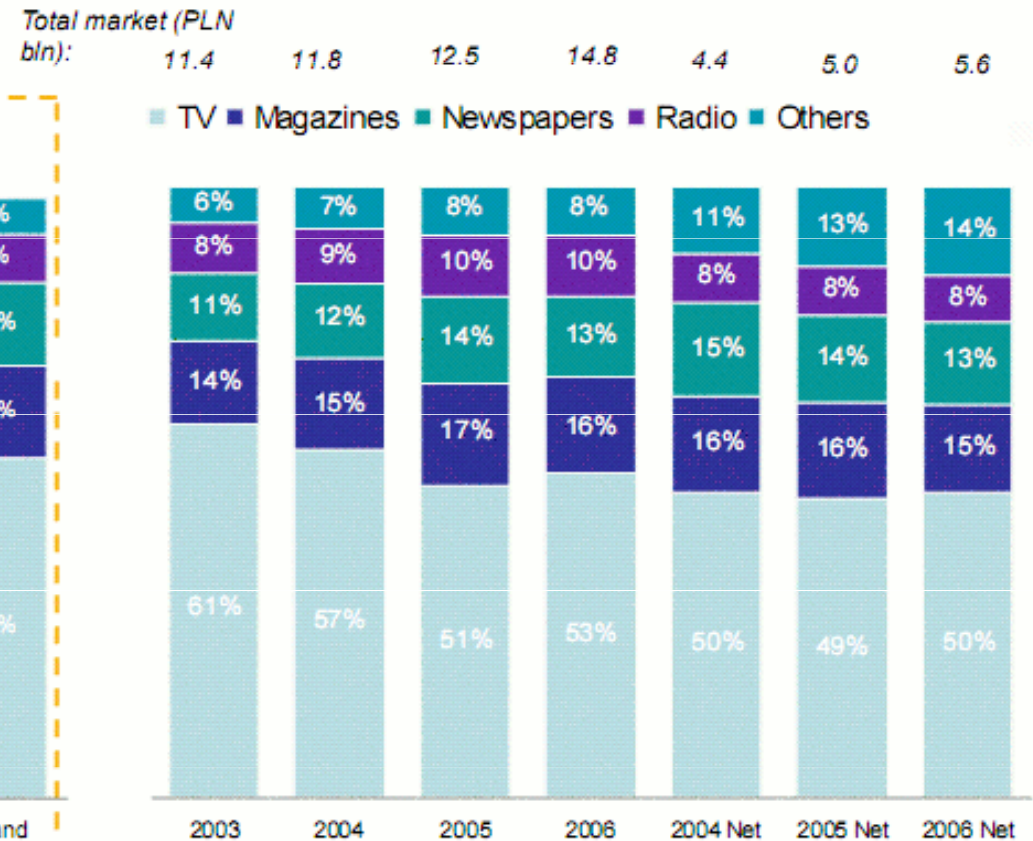


Source: Marketing andMedia PocketBook 2006; data for 2004

Advertising market in Europe per media segment 2004 (%)

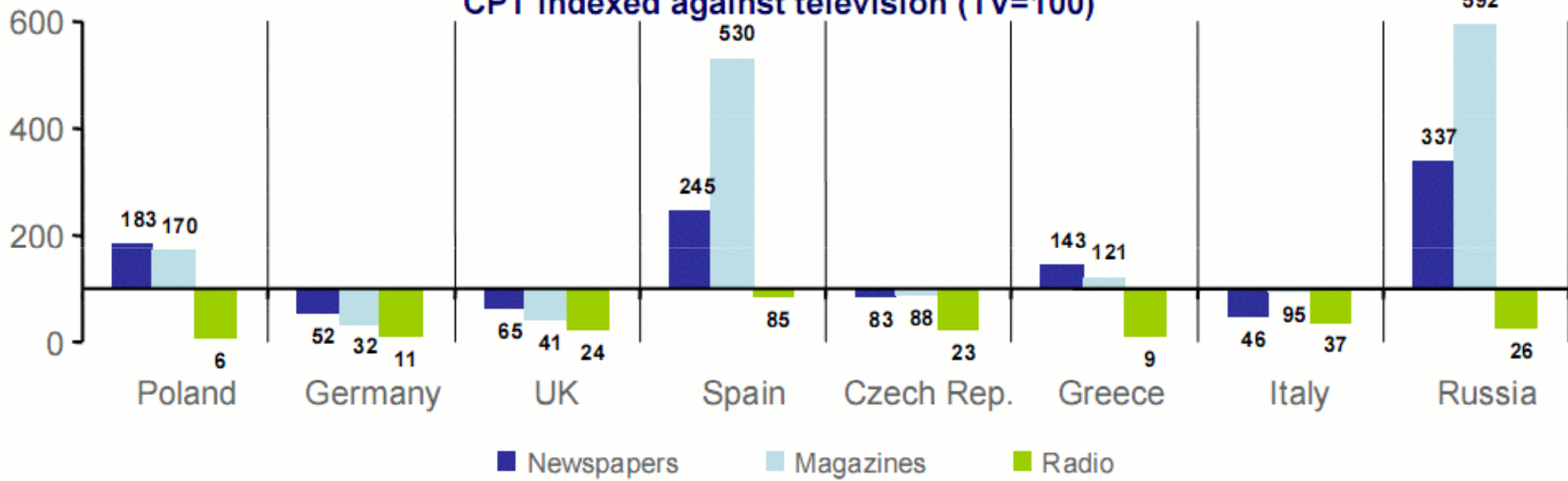


Advertising market in Poland per media segment over time (%)

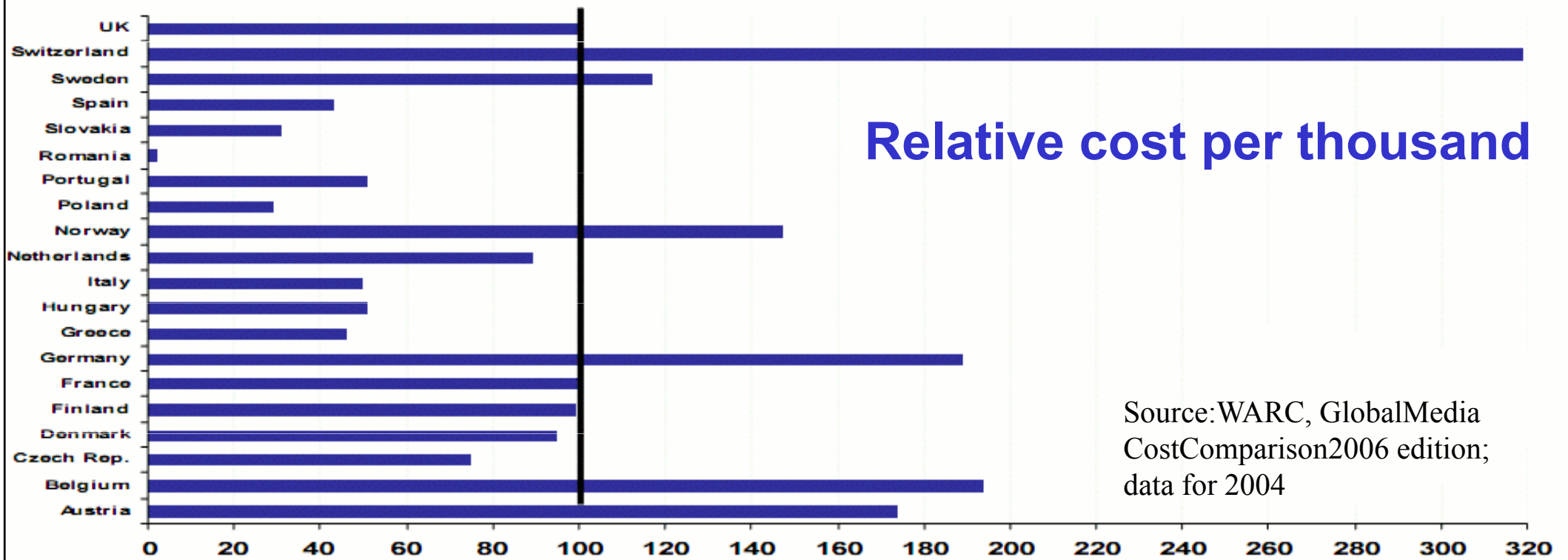


Poland has one of the highest European Average Daily TV viewing (240 minutes)

CPT indexed against television (TV=100)



CPT Index by Country (100 = av. CPT for below listed EU Countries)



Source: WARC, GlobalMedia
CostComparison2006 edition;
data for 2004

Descriptive statistics of new EU countries

	Population (thousands)	GDP per capita (Eur)	GDP per capita	Advertising spendings (\$US Millions in 2002)	Advertising spendings as percentage of GDP in 2002	Internet penetration	Internet penetration (Internet access households)	Number of local domains	Online spendings
Czech R.	10203.3	14700	68.8	838	1.21	35	15 ⁽²⁰⁰³⁾	724631	1.9
Cyprus	715.1	17600	82.2	105	0.92	n/a	53	39366	n/a
Estonia	1356.0	10400	48.5	64	0.11	46	31	237461	1.1
Hungary	10142.4	12900	60.5	931	1.41	21	14	611887	n/a
Latvia	2331.5	8800	41.0	85	0.35	27	15	63343	n/a
Lithuania	3462.6	9800	45.8	83	0.20	31	12	106458	1.6
Malta	397.3	15600	73.1	23	0.32	20	n/a	7825	n/a
Poland	38218.5	9800	46.0	2274	1.08	25	26	2482546	1.3
Slovakia	5379.2	11200	52.3	370	0.82	33	n/a	188352	n/a
Slovenia	1995.0	16400	76.8	301	0.51	50	47	48133	n/a
EU 10	74200.9		48,4 ^{2)c}	5074				4510002	

Marketing and ownership

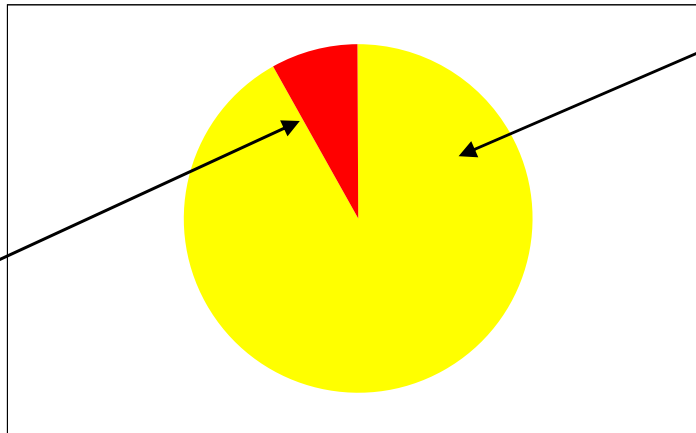
- Czech branches of international companies adapt foreign concept to local market
- Czech companies (and companies overtaken by foreign owner recently) create original concept in cooperation with Czech marketing agencies.
- Advertising decision influenced by top management (in Czech companies) and by brand managers (foreign companies).
- Foreign companies test success of marketing campaigns more often.

Marketing spendings (2003)

Companies in the Czech Republic spent about 47 billion crowns (2,1 % of gross national product) on marketing last year.

- one third of it on advertising
- The rest: trade fairs and exhibitions, promotional letters, telephone offers, events in support of sales, promotional items, presentation on Internet pages.

Promotional activities represent about 43,735 billion crowns, which is 92,8 % of total marketing costs.



Only 7,3% is spent on salaries of marketing specialists and on market research.

Marketing research – data (2005)

Spending in marketing research per inhabitant

- UK 40\$
- France 36 \$
- Sweden 36 \$
- Germany 27 \$
- Norway 26 \$
- USA 26 \$

- Slovenia 7,52 \$
- Czech Republic 7,35 \$ (24 place).

Marketing research – data (2005)

Spending in marketing research (Czech Republic):

- 40% manufacturers
- 12% financial institutions and insurance companies
- 12% utilities and telecommunications
- 10% media
- 6,5% retail
- 5% business to business research
- 3% public sector

- 80% consumer x 20% non-consumer res.
- 57% for Czech companies x 43 foreign clients
- 82% quantitative research x 15% qualitative research x 3% desk research

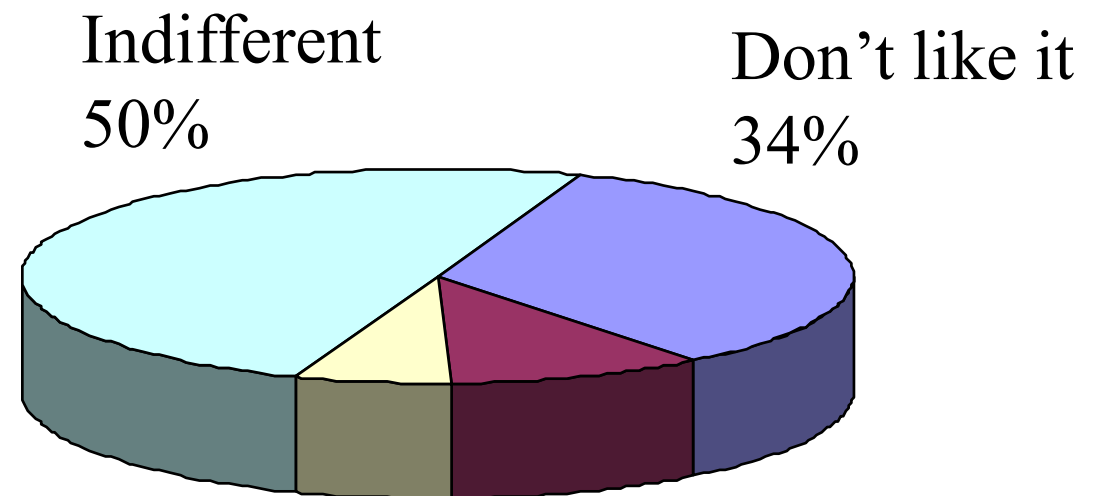
Spending in marketing research (world):

- 48% manufacturers
- 15% media
- 8% public sector
- 5% utilities and telecommunications
- 5% retail
- 4% business to business research
- 4% financial institutions and insurance companies

Marketing research – data (2007)

- Approx. 50 specialized companies (and 50 others not specialized to research only)
- 3/5 of them are located in Praha.
- Research industry grows by 10 % annually.
- 3/4 of clients require full service – data, analysis, interpretation and practical implications.
- Middle sized and small Czech companies use market research less.
- Most used techniques: face to face interviewing, phone interv., written questioning, mystery shopping, experts interviewing.
- Topics: customer behaviour and habits, research of trademarks, customer satisfaction, image research.

Advertising and Czech population



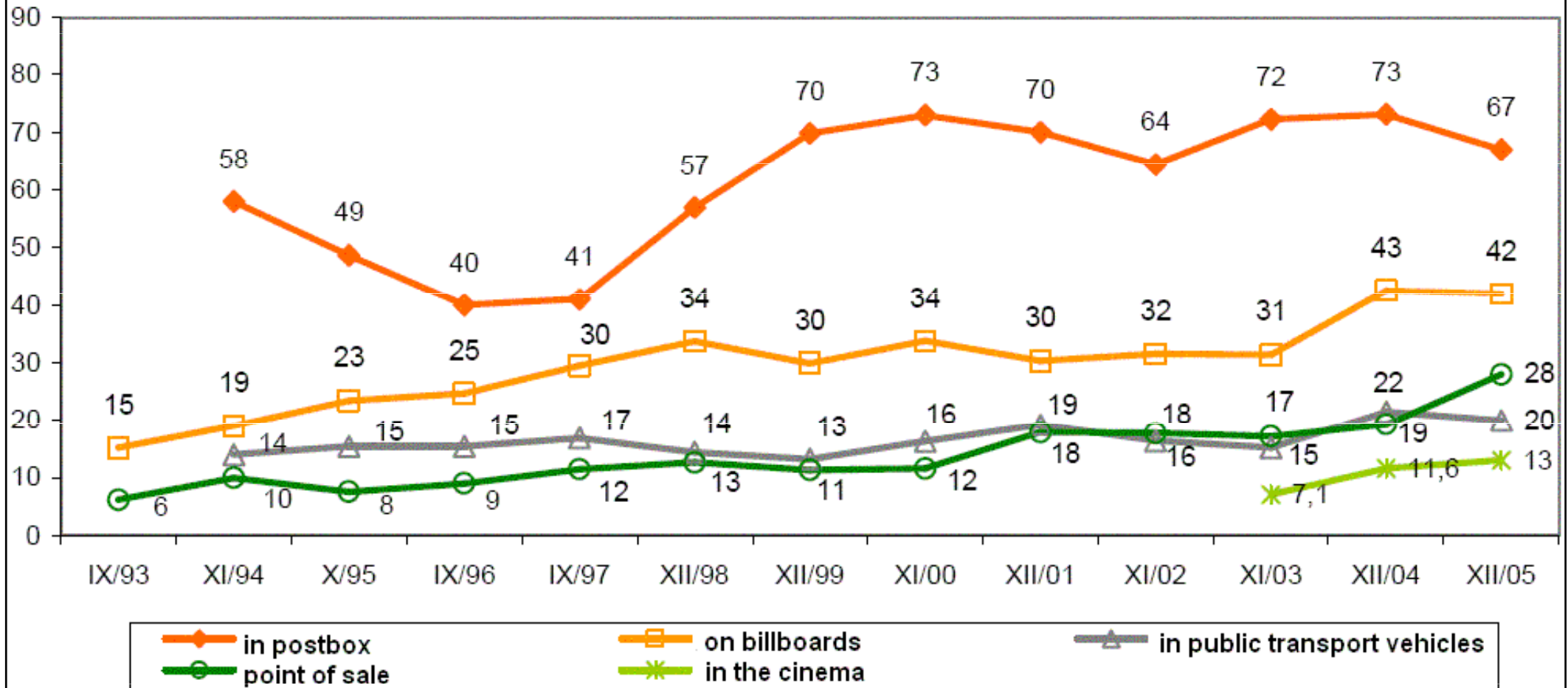
☺ – people between 19 -29
☹ – people above 44

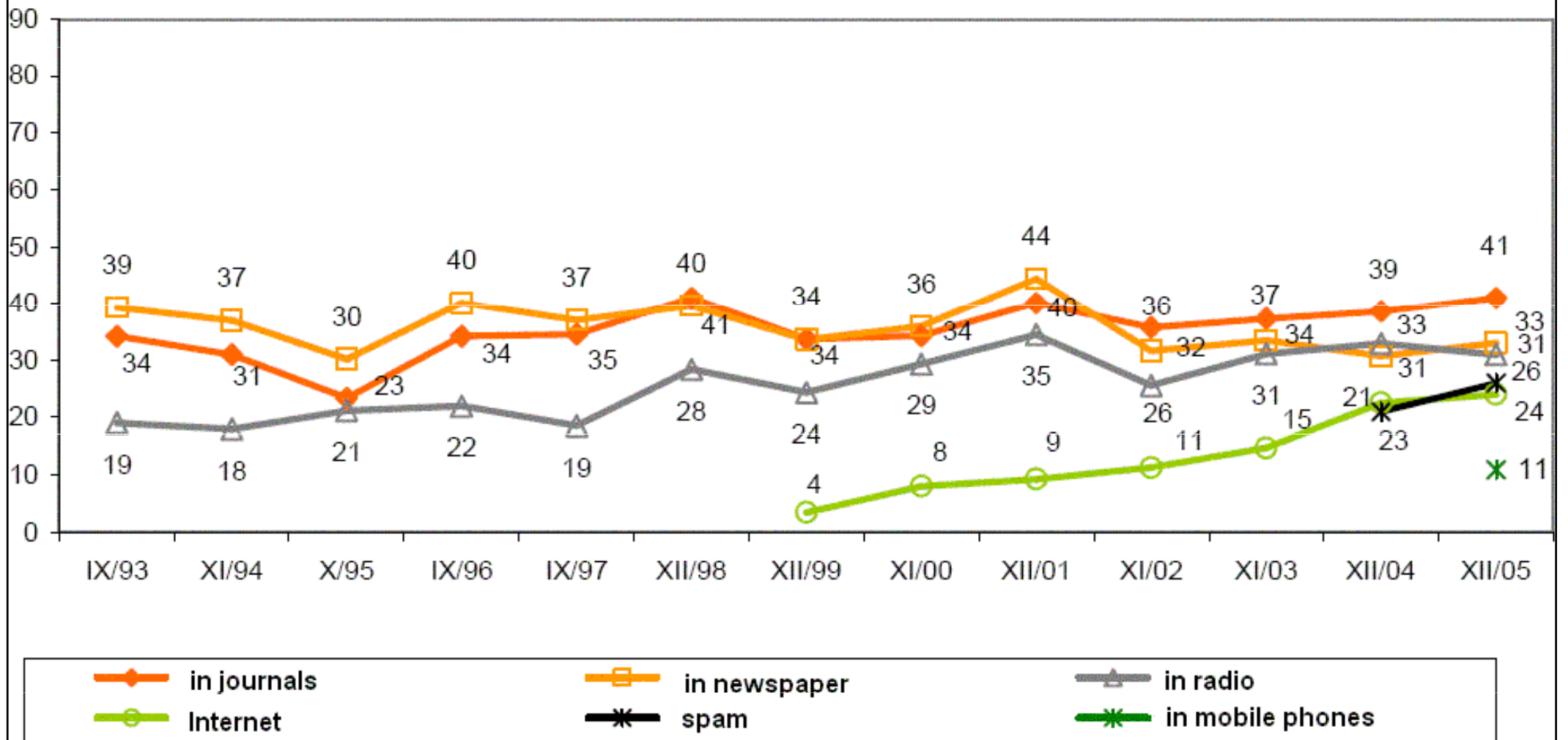
Education – no influence

Like it 6%
Don't like it much 10%

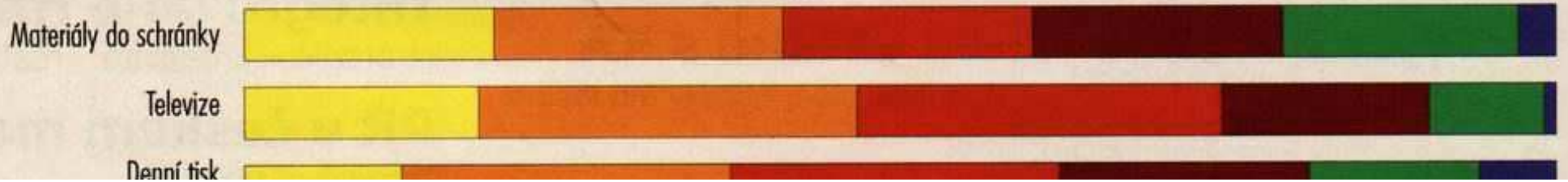
Sample n=1095, 2003

Level of over-saturation by ads (in per cents) (TNS Factum)

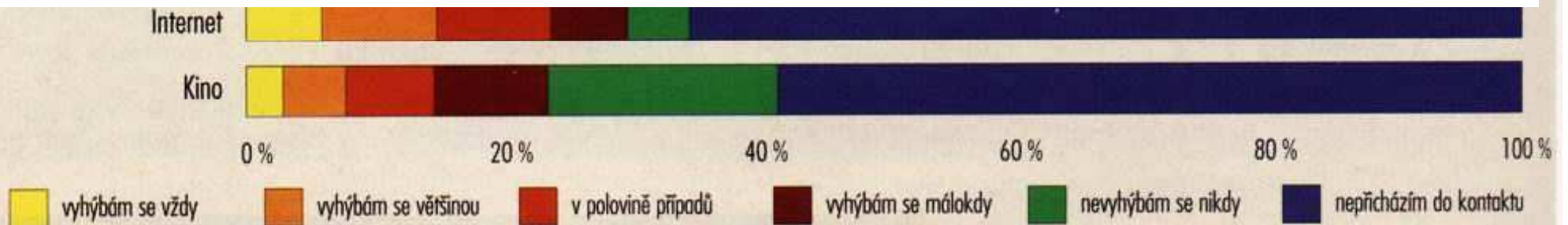




Stává se vám, že se reklamě vyhýbáte?

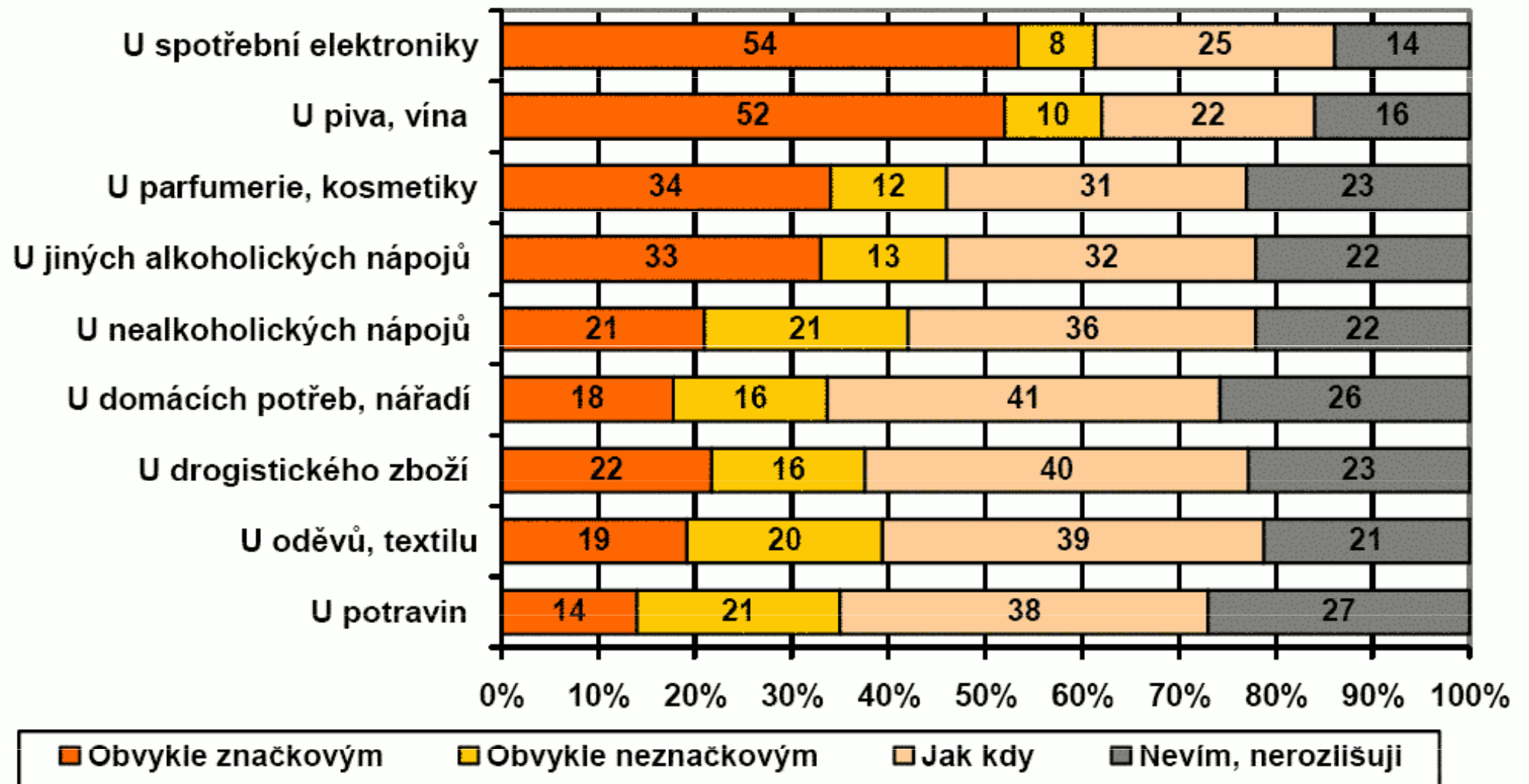


Potential for advertising: point of sale



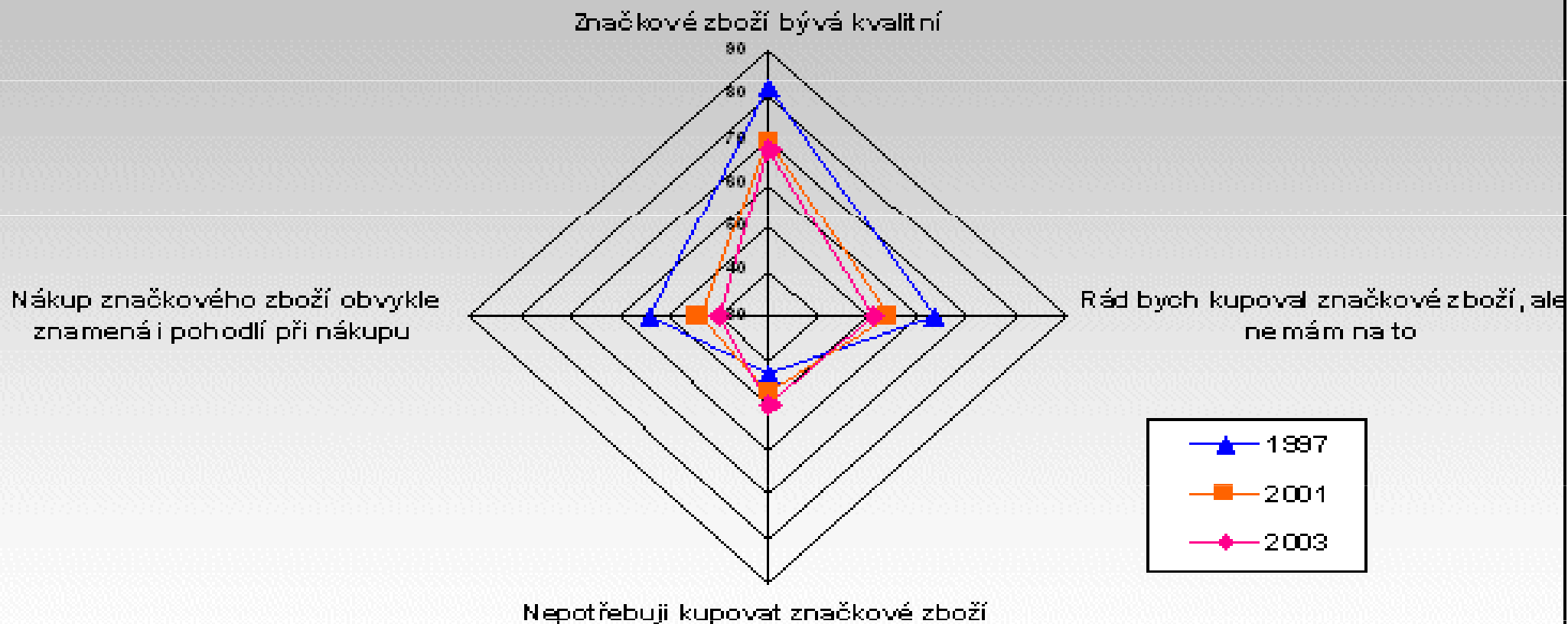
Zdroj: TNS A-Connect

Jakým výrobkům dáváte přednost...?
(rok 2005, data v %, N=1046)



Perception of advertising by Czech population

Vnímání značkového zboží - vývoj v letech 1997-2003
(data v %, počet respondentů v jednotlivých vlnách cca 1000)



Advertising and Czech population

Advertisement should be:

- Truthful (49,9%)
- Credible (objective) (42,3%)
- Funny (38,4%)
- Informative (37,7%)
- Comprehensible (31,0%)
- Quiet (25,6%)
- Raise interest in product (23,4%)
- Creative (22,8%)

Only 32% of Czech admit to be influenced by adv. while shopping.

Advertising and ethics

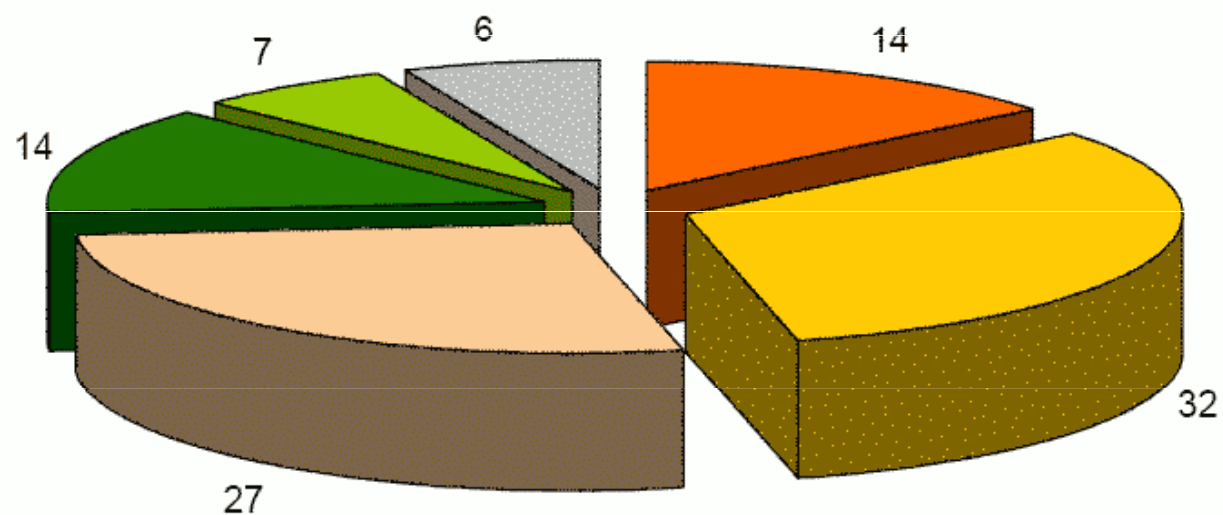
Czech advertising standards council

- Self-regulating institution in ad. business
- No legal power for sanctioning
- Respected by majority of ad. firms

Public opinion

- Ad. of cigarettes should be banned (37,7%)
(the most rejected topic)
- Erotic or sexual motives in ad. strongly rejects 6,1%
(accepted often by younger generations and men)

Postoj k sexuálním a erotickým motivům v reklamě
(N=1014, v%)



- Tyto reklamy se mi líbí
- Líbí se mi, jen když se hodí k nabízenému výrobku
- Příliš se mi nelíbí, ale nevadí mi
- Vůbec se mi to nelíbí, vadí mi to
- Pobuřuje mne to, mělo by to být zakázané
- Tento problém mě vůbec nezajímá

Basic (Ethical) Requirements for Advertising are:

- not encouraging to breake law
- be decent, honest and truthful
- meet the principles of a honest competition among competitors.
- Not endanger good name of advertising as such or decrease the trust into advertising as a service provided to consumers
- not involve elements derogating human dignity
- not take advantage of consumer's receptiveness under threshold of consciousness.
- not be hidden
- not use fear without any justified reason
- must not take advantage of holders of the public authority

Complaints by the subject		Complaints by the subject decision	
Private persons	27	Problematic	12
Companies	15	Unaccepted	26
Monitoring of Council	1	Article 8.	4
State institutions	2	other, moved to the law court	3
Complaints by content		Complaints by media	
Woman in ad., sexism	7	Billboards	13
Children	3	Press	9
Alcohol	2	TV	9
Tobacco	2	Radio	1
Medicines	1	Leaflets	14
Privacy protection	1		
Consumer protection	1		
Comparing, tricky ad.	16		
Violence, fear, racism, vulgarity	10		
Other	1		

In 2006: 72 complaint – 19 problematic, 45 unaccepted

1997 – Raveli – shoemaker, Václavka & Dášenka,
abuse of the state representative, lack of good taste



2000 – Netcentrum, s.r.o. – Billboard

www.iwillbeback.cz



www.wegottagoheareall.cz?



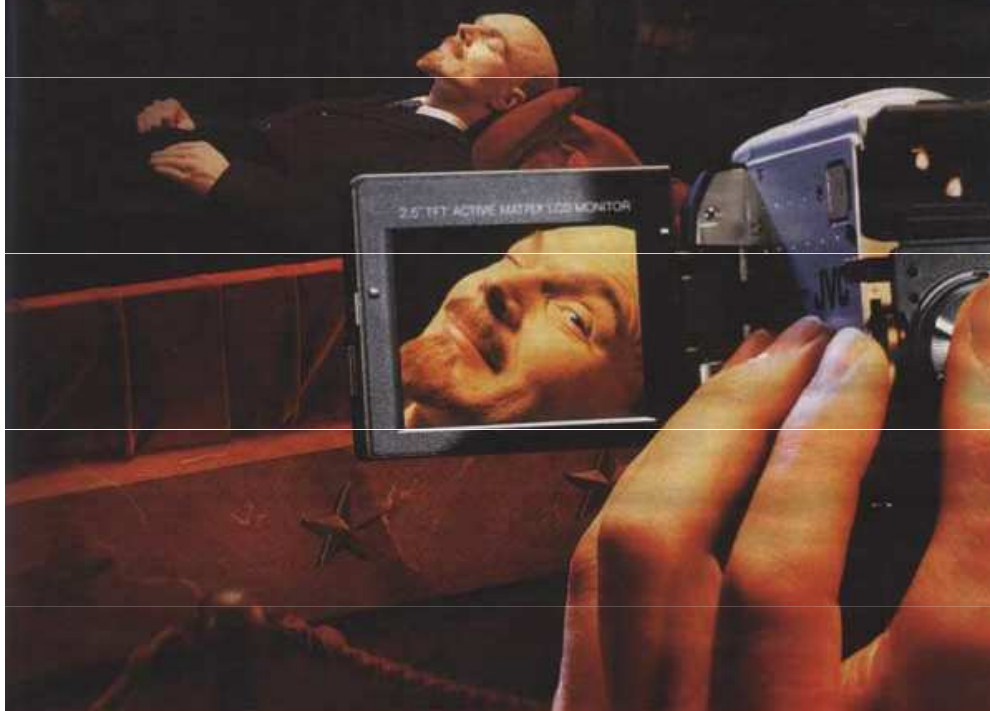
2000 Foundation of animal rights
Billboard: Do you know its price?



Pinelli – Semtex – energy drink. Billboard
BSE gives you wings. Semtex gives you life.



Dokonale ŽIVÝ obraz



Nejkvalitnější obraz díky vysokému rozlišení nové řady digitálních kamer



Vydání: Někdy stačí kamera JVC nic, co byste si nepřáli osvít! Kamera JVC s maximálním rozlišením 1.02 Megapixelů a 830 řádky (bezkonkurenčně nejvyšším parametrem mezi všemi digitálními kamerami) má totiž dokonale živý záznam. Zařítí z dovolené, anebo první krůčky Vašeho dítěte tak prohlédnete znovu s neuvěřitelným obrazem, který zachytí i nejméně detaily. Díky

digitálnímu „vstupu“ a „výstupu“ nebo konektoru USB můžete své obrazové záznamy poslat e-mailem přátelům. Kamera JVC nabízí stabilizaci obrazu, snadné ovládání, bovině noční vidění (využít jako digitální fotoaparát. Nenápadná, svým rozměry, upozorní na sebe všim, co drkáte. V soutěži „S JVC“ do Japonska za fotbalem!“ máte navíc šanci vyhrát zájezd a vstupenku na světelný šampionát. Zkuste

se na svět podívat objektivem kamery JVC a uvidíte, že je zarážející!

JVC

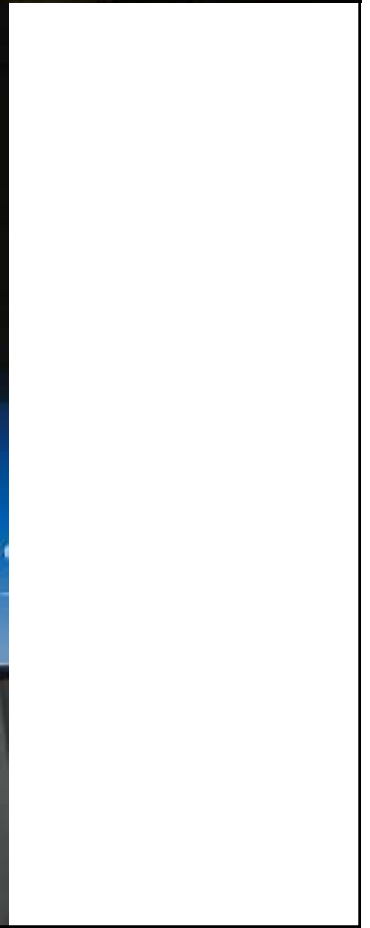
www.jvc.cz



Rádio na doživotí

Vodafone's Chihuahua campaign

<http://www.cbw.cz/phprs/2007010207.html>



ŽIJEŠ, PROTOŽE TĚ RODIČE CHTĚLI



Interrupce – 10. týden



Život - 16. rok

www.SvobodaVolby.cz

LINKA POMOCI 800 108 000 ČEKÁTE-LI NEČEKANĚ DÍTĚ