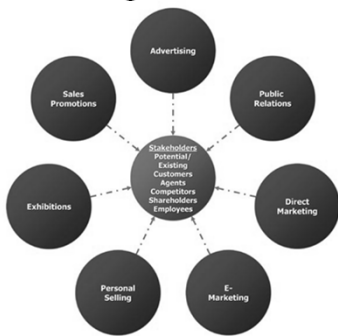




National branding in post-communism country: The case study of Kofola a. s. and other case studies

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marketing communication



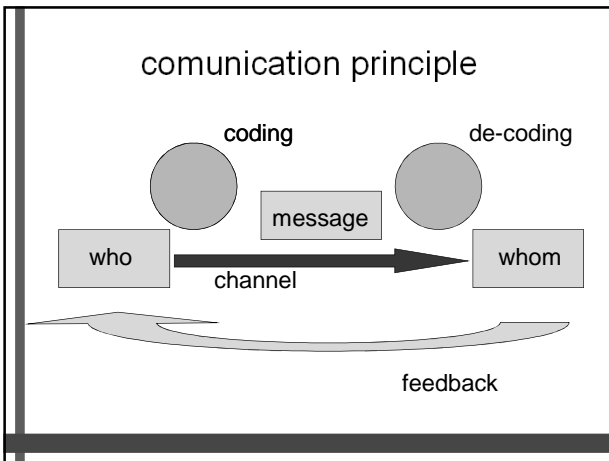
communication rules

Communication should be like a

KISS

The bulb rule

5W(+H)



AIDA - model of promotion

ATTENTION (Surprise principle - Nasty / Neutral / Nice)

INTEREST

DESIRE (Scarcity principle)

ACTION

and SATISFACTION

(Strong, 1925)

DAGMAR – advertising model

Defining Advertising Goals for Measured Advertising
Results - model for designing an advert, it is used to monitor and evaluate promotion campaigns

Before purchase:

0. Unawareness
1. Awareness
2. Comprehension
3. Conviction
4. Action

(Colley, 1961)

DAGMAR – steps

Defining Advertising Goals (S-M-A-R-T)

Awareness / Comprehension / Conviction
and Action

Measure Advertising Effectiveness

DAGMAR –characteristics of objectives

- Concrete and measurable
- Target audience
- Benchmark and degree of change
- Specified time period
- Written Goal

your project - demarketing

make teams – 3 advertising experts from 2
different countries
prepare advertising TV campaign for young drivers
financed by government
results:
draw schema of communication
principle
describe campaign by AIDA and DAGMAR
characteristics of obj.
write the story
winners will get the surprise

DAGMAR –characteristics of objectives

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communication principle

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(Strong, 1925)

Czech and other campaigns - demarketing

BECAUSE [smoking is dangerous]

introduction

Describe Czech cola drinks market development after 1989, the year of significant changes in Czechoslovakia on the example of traditional cola drink producer Kofola a.s.

How to survive the dramatic changes and compete with the global players such as Coca-Cola and Pepsi.

The marketing strategy of Kofola a.s. is mainly based on its tradition, COO effect, differentiation and consumer ethnocentrism.

objectives

- To describe the history of Kofola a. s.
- To identify unifying elements
- To determine the key factors of marketing strategy.
- To describe the development on the cola drinks market after 1989.
- To analyse the markets on which Kofola a. s. operate.



methodology

Sources: archive of the company Kofola a. s., authors' observations of campaigns of the company, promotional materials, information from the specialized marketing oriented press and the results of competitions rating Czech companies marketing (Louskáček and EFFIE).

literature search I.

COO effect refers to how customers perceive products **made in a particular country** (Roth and Romeo, 1992, in Chu et al., 2010, p. 1056).

COO serves as a **cognitive cue** for consumers to **infer** their **beliefs** regarding other attributes of a product and thus overall product evaluation (Erickson et al., 1984, in Chu et al., 2010, p. 1057).

The **COO** construct is routinely operationalized and conveyed to consumers using the phrase „**Made in** ___ „ and the name of the country (Ganguly, 2005, in Amine 2008).

literature search II.

COO and consumer's ethnocentrism the citizens of one country embody some positive or negative attitudes toward products native in another country. **The home-made production** is presented as better quality, more valuable, healthier or providing employment in the locality. (Štrach, 2009).



history I.

In **1957** the government formulated the requirement to develop and produce soft drink which would be able to **substitute "imperialistic"** cola drinks.

The **first** Kofola beverage was made in **1960** and then the **syrup KOFO** was supplied to non-alcoholic beverages producers throughout Czechoslovakia.

The **golden era** of this beverage was the **70th**. The mark was **registered** in **1966**. By the year **2003** was trademark successively registered by The Office of Industrial Property and Trademark Office for Industrial Property SR.



k o f o l a
VÁŽÍM SVĚŽESTI!

history II.



The situation on the cola drink market **dramatically changed after 1989**, when at the **attack of foreign cola drink brands** began possible and successful. At the same time **imitations of Kofola and cheap cola** drinks began to appear.

Positive change occurred in late 90th, Kofola drinks were **put to food chains**.

In **2001** the **quirky TV advertising campaign** started with slogan **"If you love her, there is nothing to solve."** and Kofola began more and more popular.

innovations

First innovation of the traditional drink Kofola was made **40 years later**, the variant **Kofola Citrus**.

The year **2006** represented an important milestone in the position on the market. Kofola became the Czech and Slovak best-selling cola drink in a **two-liter bottle**.

The **first Christmas flavour** appeared in **2007**, as limited edition of Kofola **cinamon**. The offer of Christmas edition flavours continues (Kofola **Barborková** and **Hvězdičková**).

At the beginning of the year **2008** the **sugar free Kofola** was introduced



the company's product portfolio

- Traditional cola beverage with the original recipe Kofola
- Several fruit juices, concentrates and syrups Jupí
- Children drink Jupík and Jupík Aqua
- Natural spring water Rajec and Rajec Herb
- Grape drink Top Topic and Vinea
- True American RC Cola
- Functional Mom drink Drink
- Ice coffee Nescafé Xpress
- Capri Sonne
- Chito Tonic.



brand strategy of Kofola

After 1989 - to revive half-forgotten brand and reach the forefront of sales in the former Eastern Bloc countries and face to competition of cheap cola drinks made in Czechoslovakia.

Now - Czech Republic and Slovakia - strategy is based **primarily on the COO** (tradition cola drinks). Strategy was strong in **2010 (50 years of its existence - retro motifs** to promote the brand the person of the **inventor of Kofola** is used, **special edition of promotional items** and the **historic brand logo**. The central campaign slogans were **"Still together"** and **"Love is not rocket science, Kofola knows it for 50 years."**



competitors

In 2004 the market share of **Kofola** was **15.5%** (Coca-Cola's **40.5%**, **Pepsi-Cola 23%**), Kofola increased market share by 10 percentage points to **25.5%** (Coca-Cola **39%** and Pepsi **16%**). (*Euro*, 2004. No. 41, p. 28. ISSN 1212-3129.)



The **price of Kofola** is approximately **2/3 lower** than the price of major competitors.

2012 - Kofola volume market share reached **over 25%** in **wheeled beverages** in retail and most sold soft drink from Czech cuisine with a share of 14%.

your goal – CoO effect

- Split into groups (by countries, max. 5 people)
- Imagine that we have a meeting of marketing department now
- We don't know if we should label our new export product with the name of our country (**one of key messages – Made in XYZ**)
- Find as much as possible meanings of your country (**positive** and **negative**)
- Make a list (+/-)
- Present it to the **focus group** (other students from abroad)
- Get points for right CoO effects
- **Win** the typical product from Znojmo (South Moravia) with very strong CoO eff.

examples of motives of campaigns

Christmas ad with a traditional Czech motif "golden pig"
Kofoláčci, small balls of string characters



typical Czech advertising jingle



- In the late sixties
- Result of the release of the political situation in the country was in the Czechoslovak TV and broadcast advertising.
- Over five hundred spots.

most favourite campaign by Czech



christmas viral campaigns



- Internet Effectiveness Awards 2009 a 2010

Further expansion in EU - PDO

Council Regulation (EC) No 510/2006 from 20th of March 2006 **protection of geographical indications and designations of origin for agricultural products and foodstuffs.**

Protected Designation of Origin (PDO) is the name of a region, specific place or, in exceptional cases, country, which is used to describe an agricultural product or foodstuff originating in that region, specific place or country and whose quality or characteristics are essentially or exclusively given due to a particular geographical environment include natural and human factors, and whose production is processed and prepared in a defined geographical area.

Benefits of PDO

- Protection against direct or indirect commercial use of registered name on products not covered by the registration
- Protection against any misuse, imitation or remembrance ("kind", "type", "method", "in", "imitation", etc.)
- Protection against any other false or misleading information about the provenance, origin, nature or essential qualities
- Protection against any other practice liable to mislead the public about the true origin of the product.

examples of other Czech of campaigns

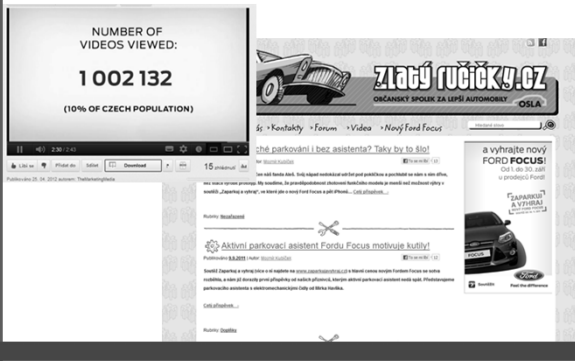
- Buzz marketing
- Viral marketing
- Direct marketing

Jägermeister Ice Ball Case Study



Ford Do it Yourself Campaign

NUMBER OF VIDEOS VIEWED:
1 002 132
(10% OF CZECH POPULATION)



HAVE MORE COWS, HAVE MORE MONEY – 32 % response



Thank you for your attention

S | V | Š | E
