



# Advertising in Czech Republic

Radoslav Škapa



RM

minikalkulačka **TESLA OKU 205**

RAJsmichu.cz

√x

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aloobchodním prodeji za Kčs 700,-

KANCELÁŘSKÉ STROJE s. r. o.

RAJsmichu.cz

Plzeňské pivo

12%

Kčs 3,60

Plzeňský Prazdroj

ČSN 56 6635

Plzeňský Prazdroj národní podnik Plzeň

RAJsmichu.cz

Rico STÁTNI PODNIK VEVERSKÁ BITÝŠKA - ZÁVOD MOS

OBVAZOVÁ VATA SKLÁDANÁ 250 g

250 g

OBVAZOVÁ VATA SKLÁDANÁ 250 g

PH 012 874/024/80/80 JK 055 122 330620 DRUH 122 V5a/ba 1990 MC

RAJsmichu.cz

Lybar lak na vlasy

SMC 19 Kčs

RAJsmichu.cz

instar milk banánový

instar milk vanilkový

instar milk jahodový

instar milk

Vitana

RAJsmichu.cz

e

emgeton

C90 LN STEREO

RAJsmichu.cz

CLEA

KING SIZE

20 CIGARET S FILTREM



1980



1998



1989



1999



2001



1993



2004



# Top Trademarks in Czech Republic (2007)



## Škoda Auto

- owner: Volkswagen 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*

## **Bat'a**

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



# *kofola*<sup>®</sup> *original*

## **Kofola**

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

# **BECHEROVKA<sup>®</sup>**

## **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.

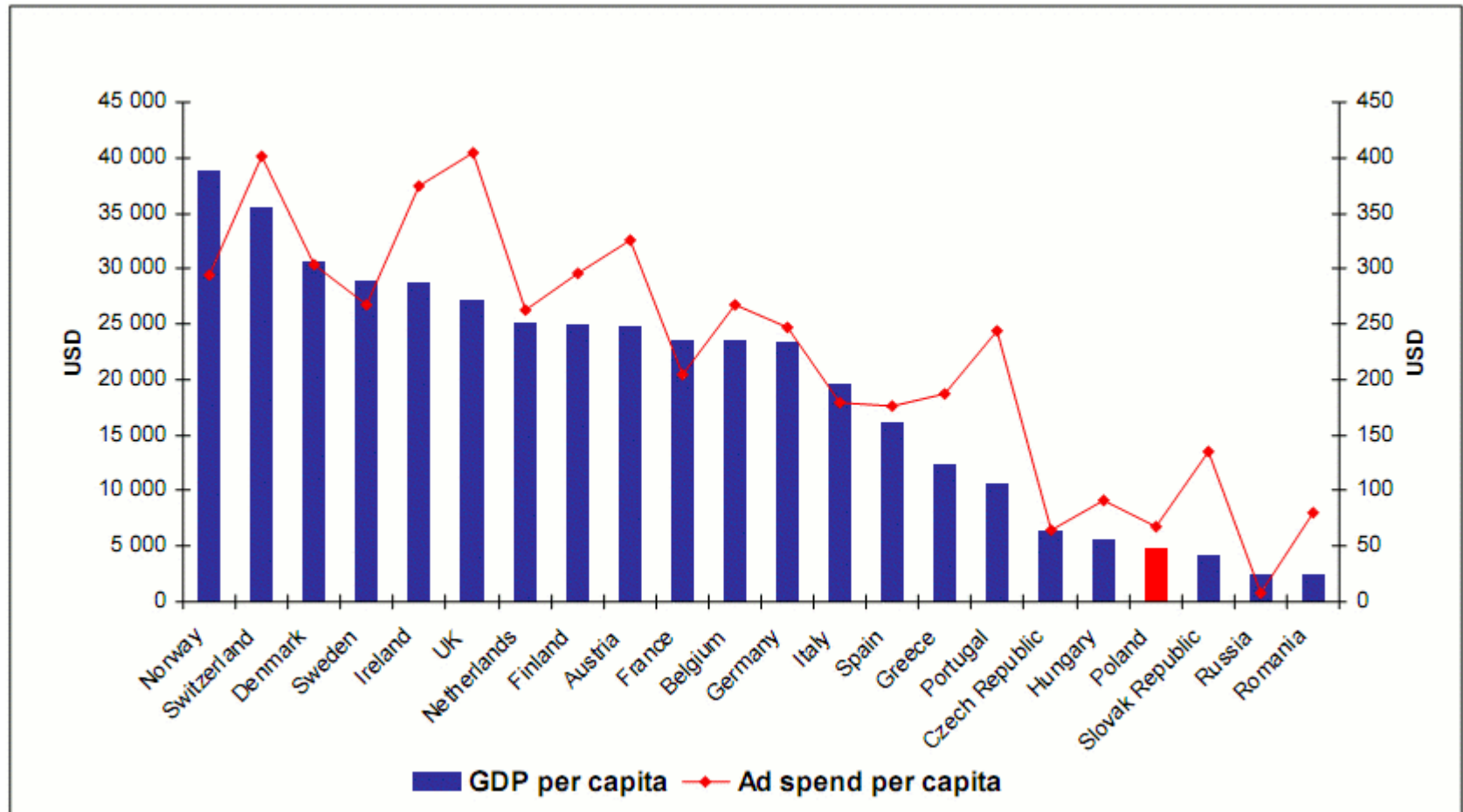


# Advertising in Czech Republic- 1948 - 1989

- 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.

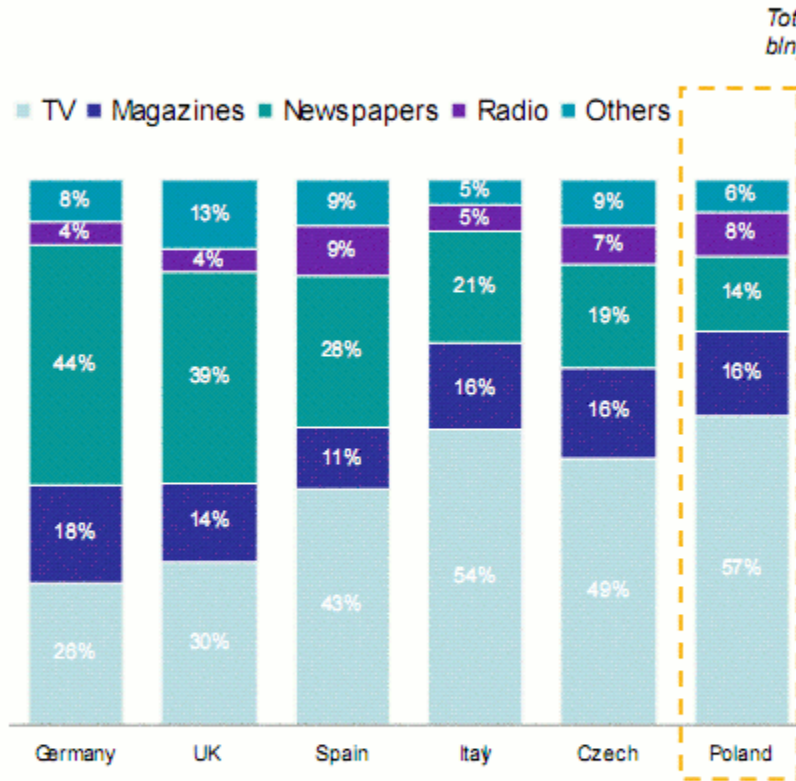
# Contemporary situation in Czech advertising

## Advertising expenditure per capita



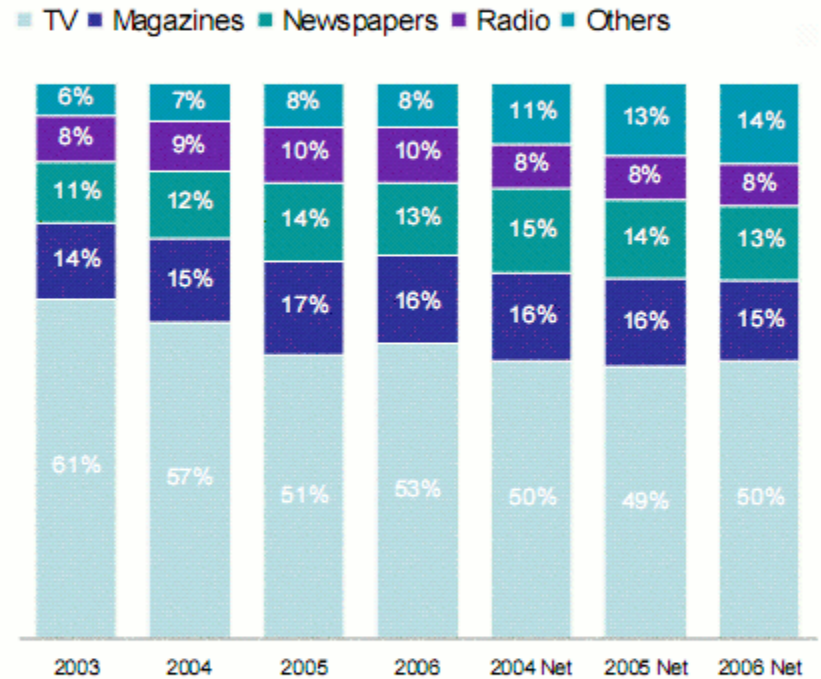
Source: Marketing andMedia PocketBook 2006; data for 2004

## Advertising market in Europe per media segment 2004 (%)



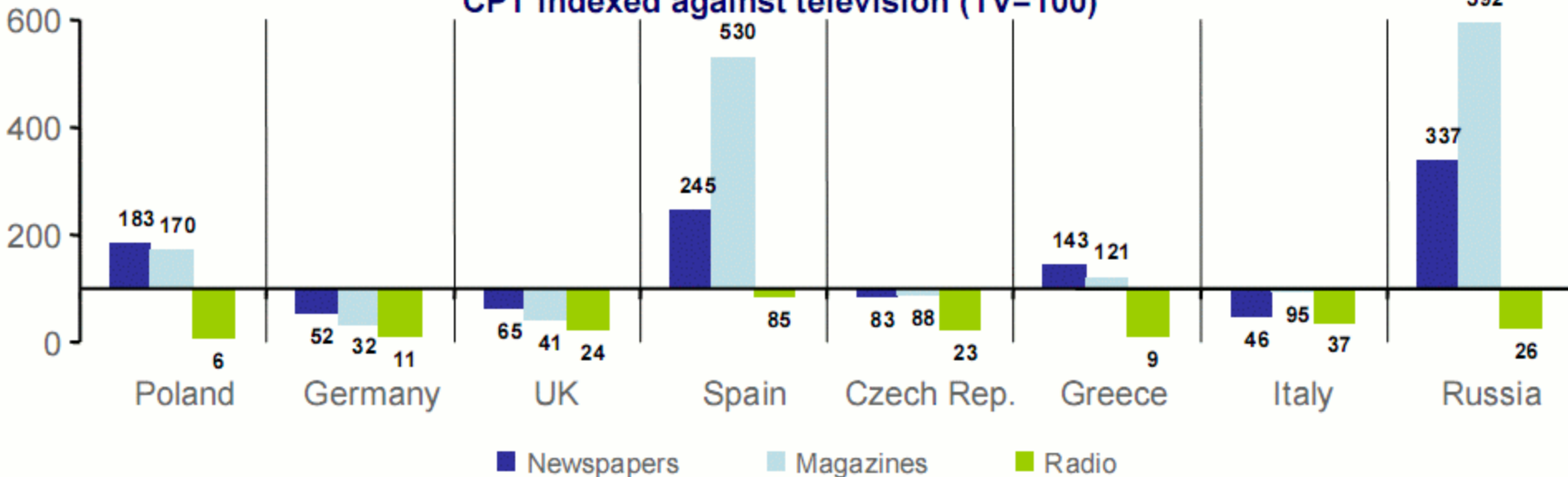
## Advertising market in Poland per media segment over time (%)

Total market (PLN bln): 11.4 11.8 12.5 14.8 4.4 5.0 5.6

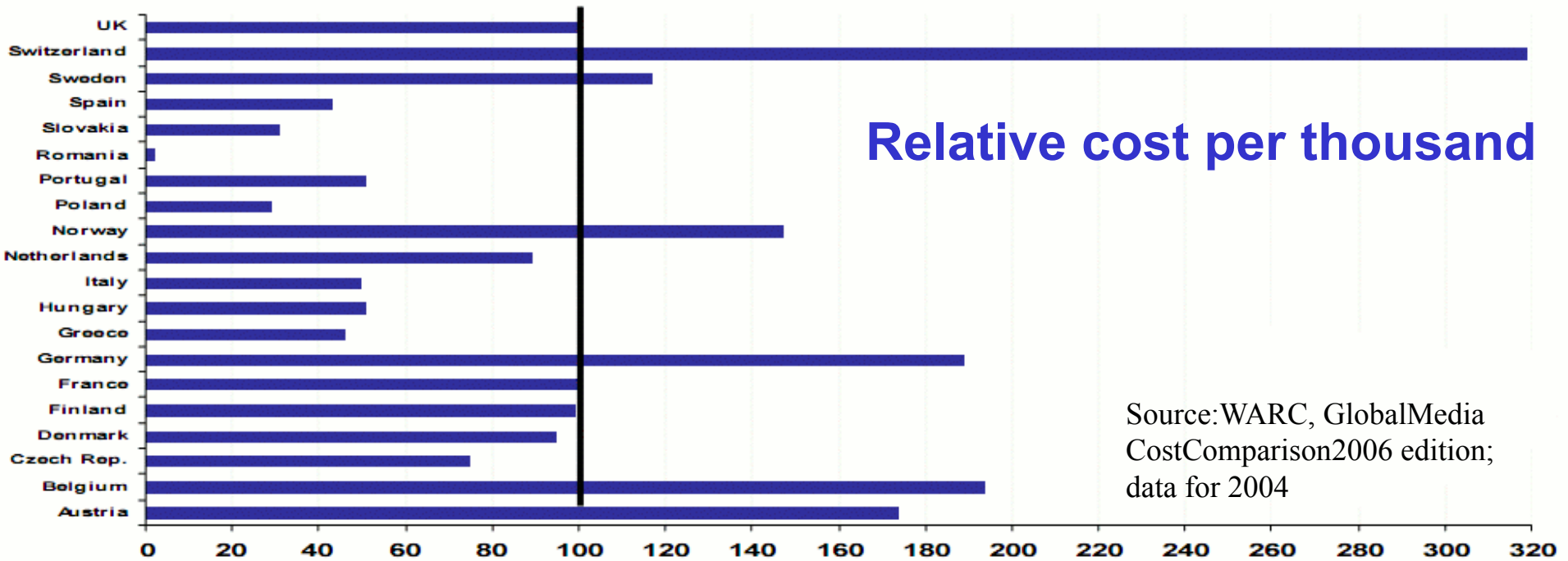


**Poland has one of the highest European Average Daily TV viewing (240 minutes)**

### 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 <sup>1</sup>	GDP per capita <sup>2</sup>	Advertising spending <sup>3</sup>	Advertising spending as % of GDP <sup>4</sup>	Internet household penetration <sup>5</sup>	Online spending <sup>6</sup>	Internet Advertising spending <sup>7</sup>
<b>Czech Rep.</b>	10,288.9	73.6	769,186	0.65	29	7	22,734
Cyprus	776.0	88.9	89,073	0.54	37	2	n.a.
Estonia	1,339.9	59.8	107,744	0.79	46	n.a.	3,607
Hungary	10,057.9	62.5	1,029,874	0.91	32	7	21,302
Latvia	3,385.7	48.6	129,961	0.81	42	1	7,277
Lithuania	2,280.5	52.1	150,07	0.50	35	2	3,086
Malta	407.7	71.7	n.a.	n.a.	53	n.a.	n.a.
<b>Poland</b>	3,8101.8	49.7	1,862,672	0.55	36	6	32,885
Slovakia	5,391.6	57.1	n.a.	n.a.	27	0	n.a.
Slovenia	2,010.3	81.9	242,656	0.64	54	9	5,484
<b>EU 10</b>	74,040.3	64.6			39		

# Marketing and ownership

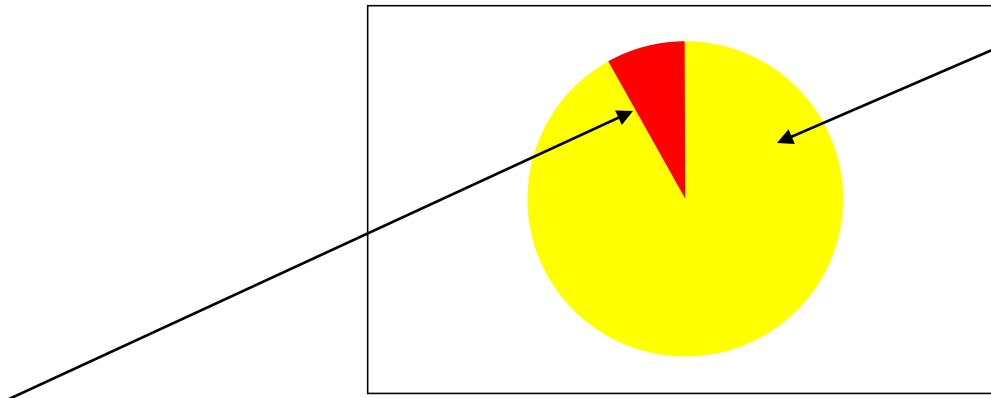
- Czech branches of international companies adapt foreign concept to local market
- Czech companies (and companies overtaken by foreign owner recently) create original concept in cooperation with Czech marketing agencies.
- Advertising decision influenced by top management (in Czech companies) and by 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.
- 82% for Czech companies x 18 foreign clients
- 82% quantitative research x 15% qualitative research x 3% desk research

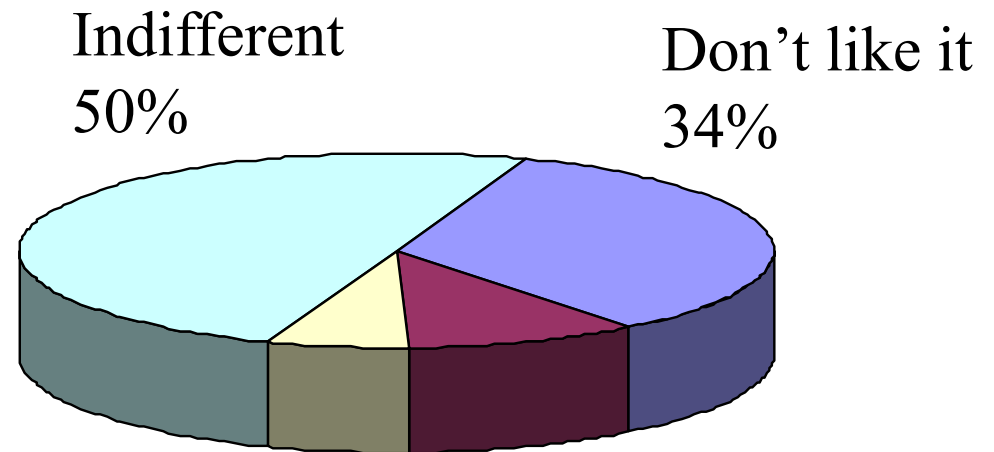
## Spending in marketing research (world):

- 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

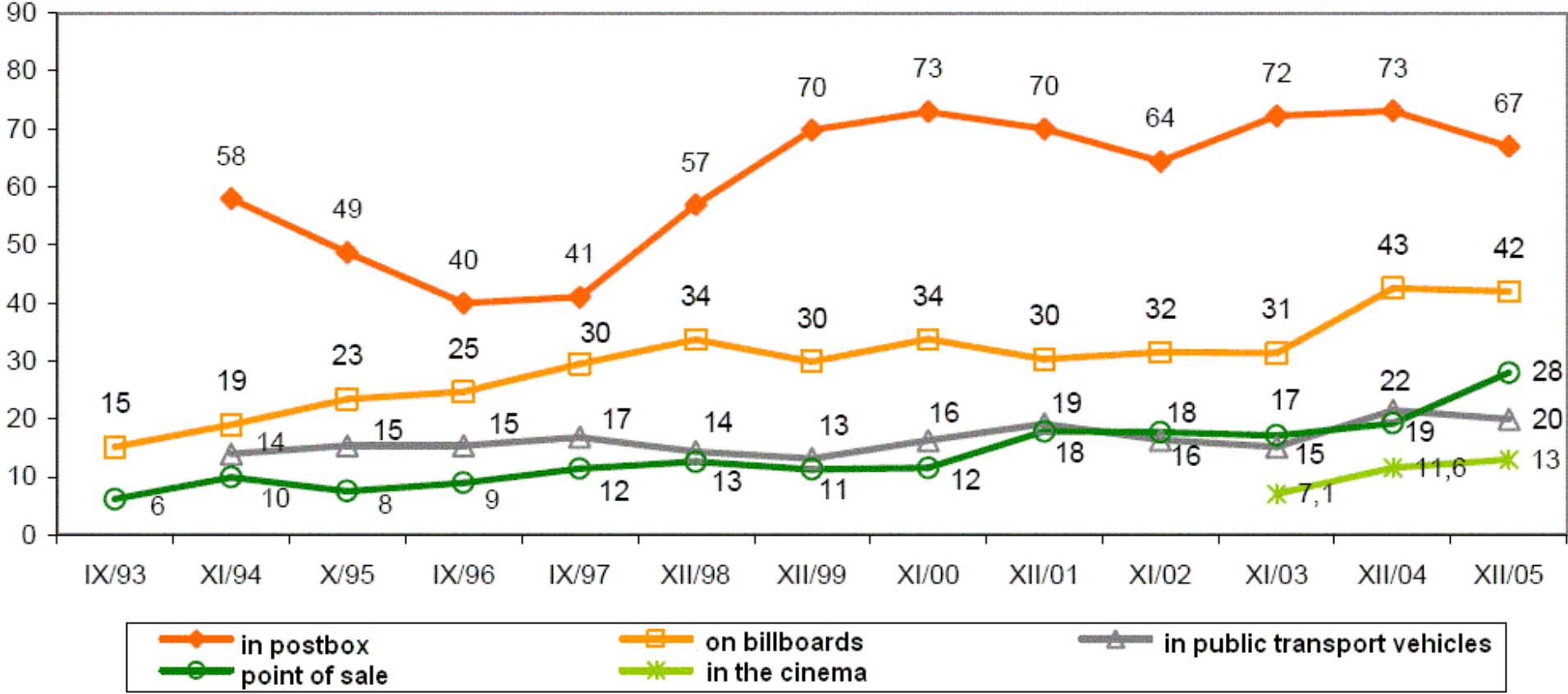
Education – no influence

Don't like it much  
10%

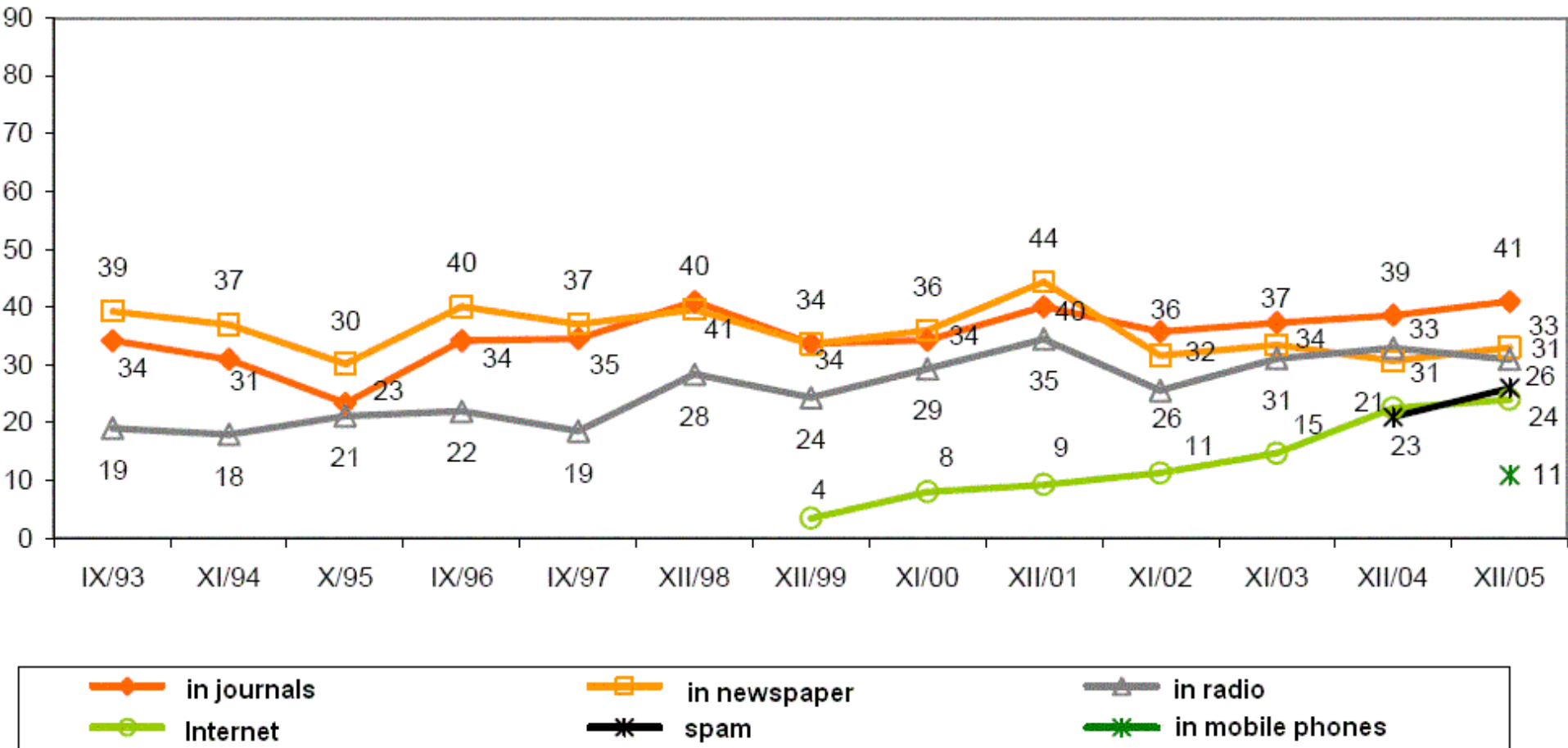
Like it  
6%

Sample n=1095, 2003

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

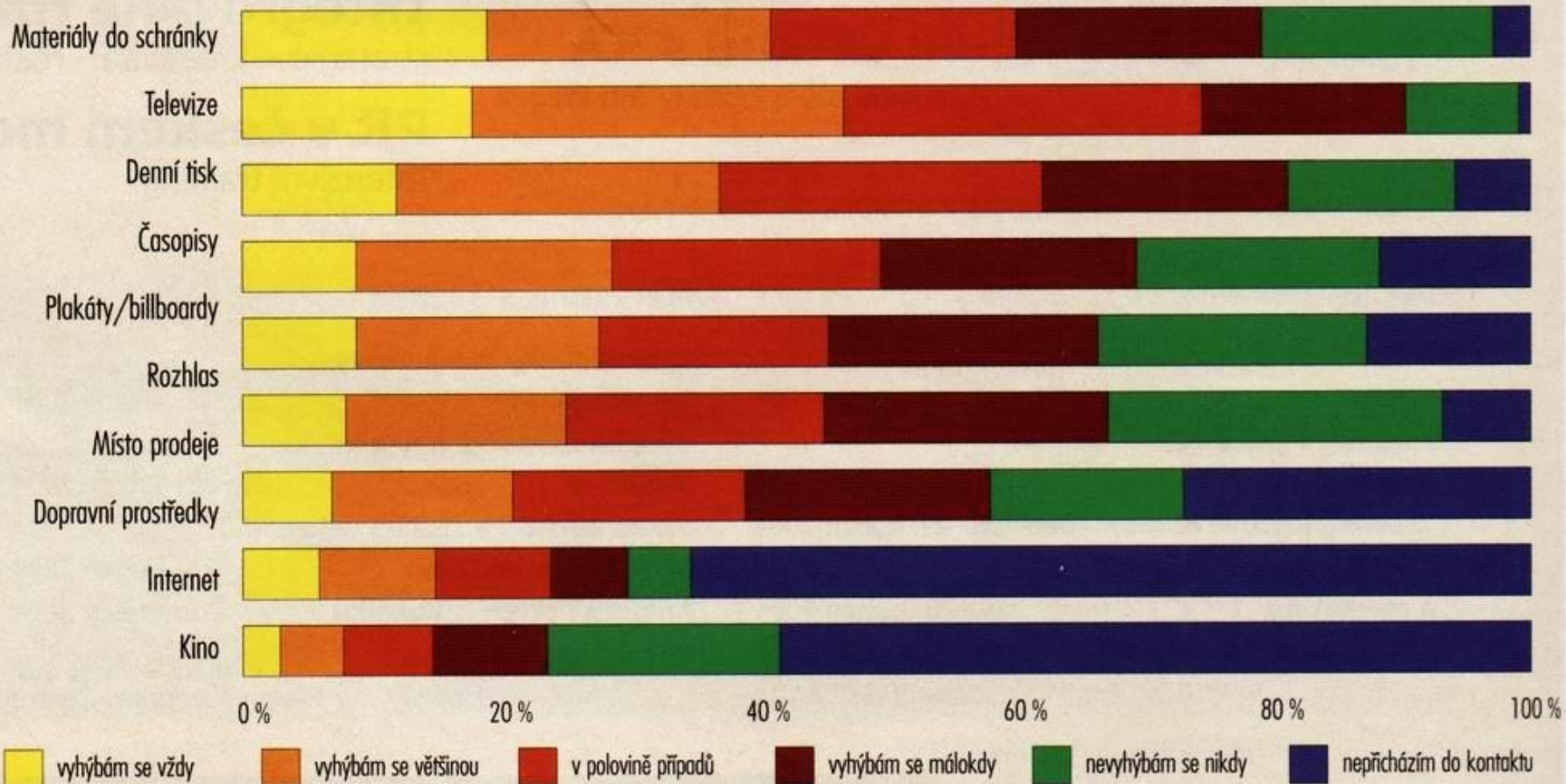






Potential for advertising: point of sale

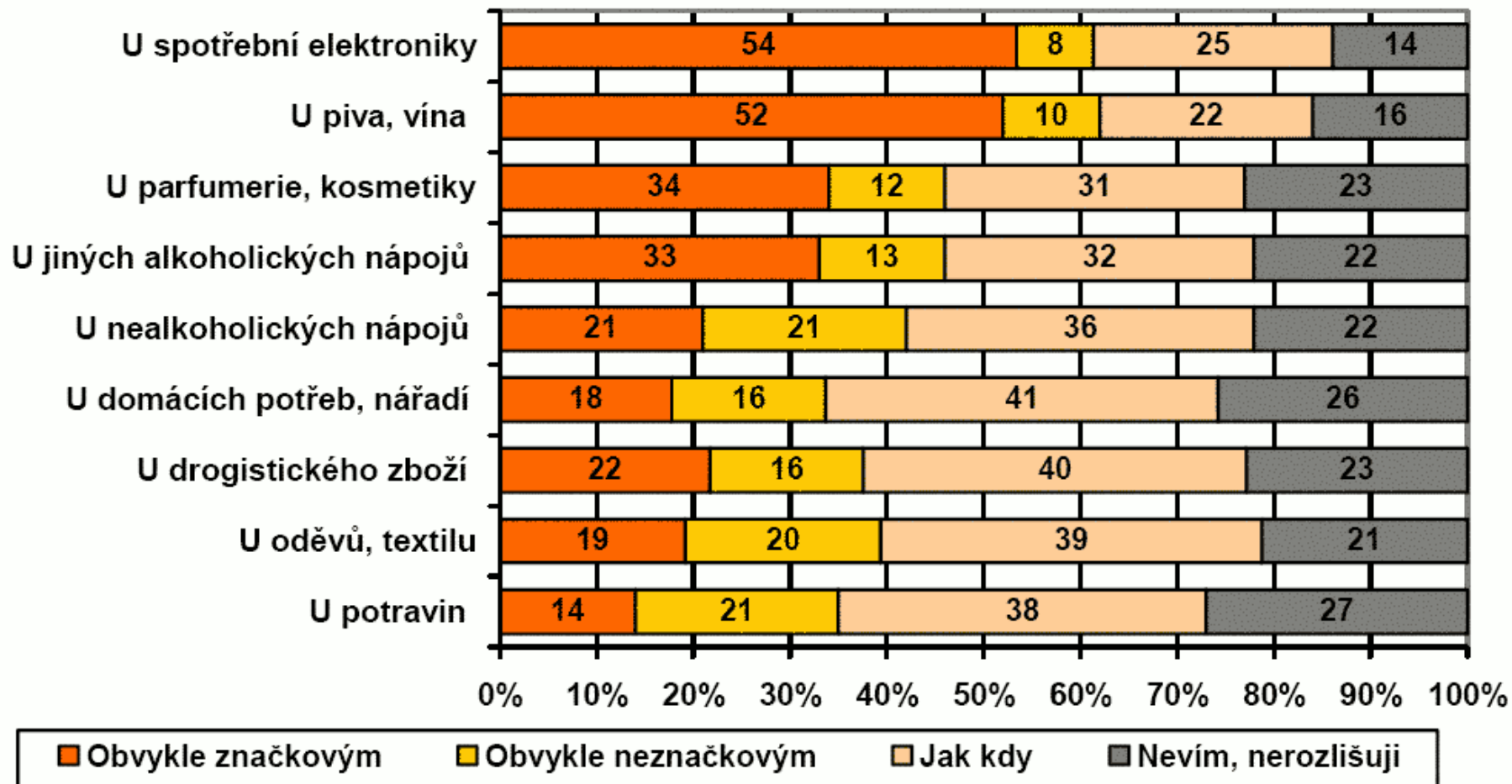
## Stává se vám, že se reklamě vyhýbáte?



Zdroj: TNS A-Connect

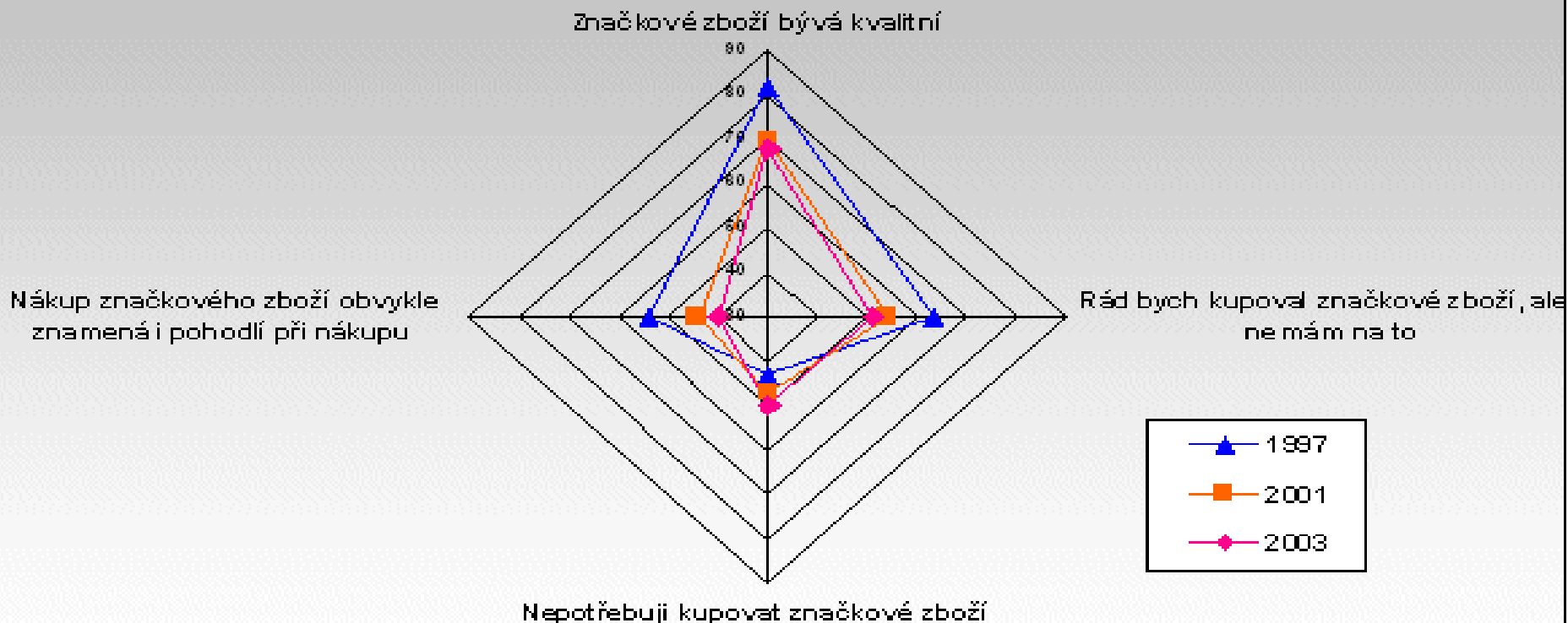
### Jakým výrobkům dáváte přednost...?

(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

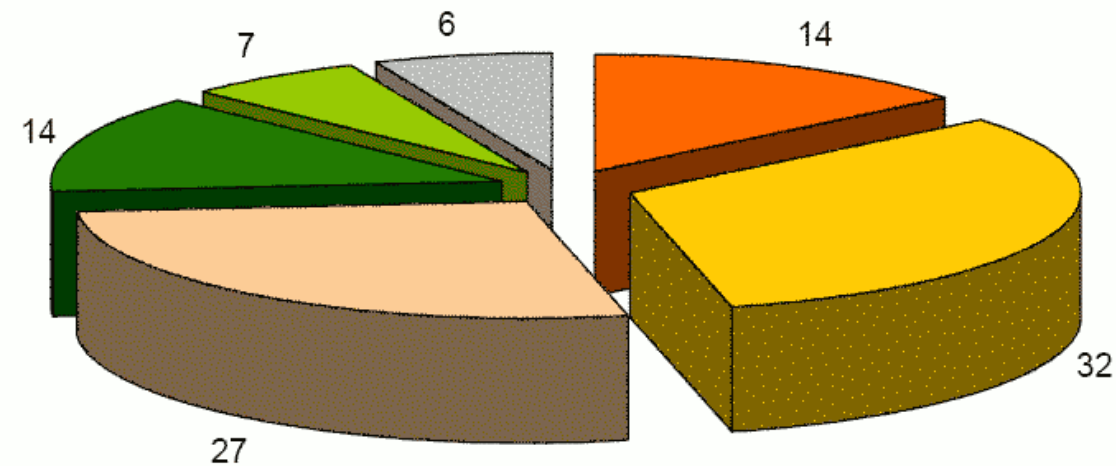
Czech advertising standards council

- 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 break 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

<b>Complaints by the subject</b>		<b>Complaints by the subject decision</b>	
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
<b>Complaints by content</b>		<b>Complaints by media</b>	
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 & Dášenska,  
abuse of the state representative, lack of good taste



2000 – Netcentrum, s.r.o. – Billboard

[www.iwillbeback.cz](http://www.iwillbeback.cz)



[www.wegottagoheareall.cz?](http://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.

The billboard features a yellow background with black and red text and illustrations. On the left, the text "BSE DÁVÁ KŘÍDLA..." is written in large, bold letters. To the right of this text is a cartoon illustration of a cow with wings, flying. Below the flying cow, two other cows are shown lying on their backs, appearing lifeless. To the right of these cows, the text "SEMTEX OŽIVUJE!" is written in bold letters. On the far right, there is a vertical image of a Semtex New Forte energy drink can. At the bottom right, the text "PROBUŮ TO V SOBĚ" is written in white letters on a black background.

**BSE DÁVÁ  
KŘÍDLA...**

**SEMTEX  
OŽIVUJE!**

**Semtex  
NEW FORTE**

PROBUŮ TO V SOBĚ



# Dokonale ŽIVÝ obraz



Nejkvalitnější obraz díky vysokému rozlišení nové řady digitálních kamer



Všichni. Nikdy netočte kamerou JVC nic, co byste si nepřáli oživit! Kamera JVC s maximálním rozlišením 1.02 Megapixelů a 530 řádky (bezkonkurenčně nejvyšším parametrem mezi všemi digitálními kamerami!) má totiž dokonale živý záznam. Zážitky z dovolené, anebo první kročky Vašeho dítěte tak prožijete znovu v nejkvalitnějším obraze, který zachytí i nejmenší detaily. Díky

digitálnímu vstupu a výstupu nebo konektoru USB můžete své obrazové pozdravy poslat e-málem přátelům. Kamera JVC nabízí stabilizátor obrazu, snadné ovládání, barevné noční vidění i využití jako digitální fotoaparát. Nenápadná svými rozměry, upozorní na sebe vším, co drkává. V soutěži S. JVC do Japonska za fotbalem! Máte navíc šanci vyhrát zájezd a vstupenku na letošní šampionát. Zkuste

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

# JVC

[www.jvc.cz](http://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](http://www.SvobodaVolby.cz)

**LINKA POMOCI 800 108 000 ČEKÁTE-LI NEČEKANĚ DÍTĚ**