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Analysis of the ŠKODA brand perceptions on different markets

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ABSTRACT:
Lately, brands are becoming increasingly important across all industries. Consumers are forming relationships with brands attributing brand building process a great significance. Automotive industry belongs to the most competitive industries with high brand loyalty attributing the brand even greater importance. This study focuses on a carmaker ŠKODA and perception of its brand between Czech, German and Finnish markets. In order to find the similarities and differences between the researched markets and provide future brand development, following objectives were set. First objective was to develop a theoretical framework integrating the brand equity components and the brand identity model on in-depth literature review, which serve as a basis for the empirical part. Second objective was to develop an overview regarding the branding benchmarks and current trends in the automotive industry. Thirdly, the objective was to analyze the three markets' similarities and differences in brand perceptions of the case company ŠKODA based on the conducted survey and compare the results with previous studies. Lastly, based on the theory background, benchmarks, trends and conducted research, provide suggestions on how to improve brand perceptions of ŠKODA on researched markets. A quantitative research method, specifically an online questionnaire, has been chosen for this research. Total amount of 195 respondents from the three analyzed markets approached the questionnaire. However, not all respondents were admitted to participate in the research after the introductory question due to their possible influence on the findings which resulted in having 54 respondents from Czech Republic, 64 from Germany and 59 from Finland who fully completed the questionnaire. The research findings confirmed a strong position of ŠKODA brand on the Czech market, where perceptions predominantly surpassed the remaining markets. The situation between the respondent's perceptions in Germany and Finland was, however, not as evident. Previous studies already examined the brand perception of ŠKODA to some extent on the Czech market, however, no similar studies have been made on the markets of Germany and Finland. Therefore, this study compares the findings between individual researched markets as well as compares the findings with previous studies from Czech Republic. Despite different target groups, the results from previous studies on the Czech market were mostly in line with this study. A cross market comparison has been made with a study examining the brand perceptions of ŠKODA between United Kingdom and Poland. Common findings across markets and differences between genders have also been examined in this study. For further brand development, establishment of a car-sharing platform, communication of the vehicle connectivity features, communication through social media, consideration of subscription services and use of AR and VR technologies in connection with COVID-19 pandemic was advised with regard to the researched target group.

KEYWORDS: Analysis, Brand perception, Brand equity, Brand identity, Czech Republic, Germany, Finland, ŠKODA

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Abbreviations

AR	Augmented reality
BEV	Battery electric vehicle
CZE	Czech Republic (Czechia)
e.g.	”Exempli gratia” (for example)
EV	Electric vehicle
FIN	Finland
GER	Germany
GM	General Motors
ICE	Internal combustion engine
OEM	Original equipment manufacturer
PHEV	Plug-in Hybrid vehicle
R&D	Research and Development
ROI	Return on investment
SUV	Sport utility vehicle
VR	Virtual reality
VW	Volkswagen
VWG	Volkswagen Group

1 Introduction

1.1 Background of the study

Branding is something, that is gaining on importance recently and yet something many people are still confused about. What does actually the word brand mean? What does it stand for? According to American Marketing Association (2020), brand is a name, term, design, a symbol or some other specialty that identifies the product or service and distinguish one from another.

However, branding goes far beyond that and it is the people and their perceptions who make the brands the way they are (Norwich Business School, 2011). It is the reputation that is circulating between customers and the feeling customers have in connection with the brand and the customers are the one, who determine the brand (Marty Neumeier, 2020; The Futur, 2019). One of the very interesting branding expressions is the one of Jeff Bezos (CEO of Amazon) who said: “Your brand is what other people say about you when you’re not in the room” (The Golden Vineyard Branding Company, 2020; Forbes, 2016).

Branded products, services or just brands alone evoke feelings in customers. Those feelings could be either positive or negative, but they differentiate the company and their products or services from the competitors, even though they may be satisfying the same needs (Kotler, 2005; Kotler & Keller, 2015). The differences of the brands may be connected with the product performance (functional, rational, tangible) or connected to what the brands represent in more abstract way (symbolic, emotional, intangible) (Kotler & Keller, 2015).

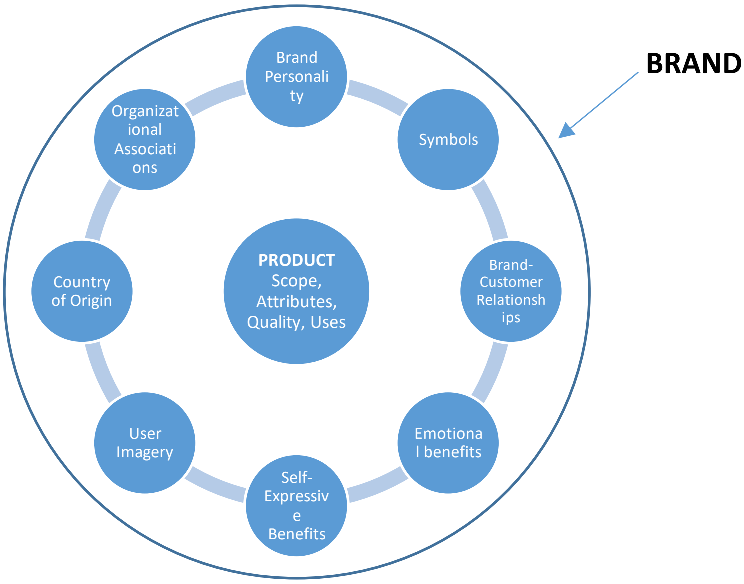


Figure 1: A Brand Is More Than a Product (Adapted from Aaker, 1996, p. 74)

Brand essence is the core defining the brand itself and its vision. It is an intangible, emotional and unique to a certain brand (Aaker, 2014). Strong brands tent to evoke positive feelings such us trust, comfort or image of better quality over the less known brands and people are also willing to pay a price premium for the well-known brands. It can also be said that a brand is a promise of a value to a customer. Therefore, in today's highly competitive marketplace, companies are striving for attention and respect by creating a unique brand. The purpose of the brand and the promise that the brand gives to customers then has to drive all the company's activities towards fulfilling those promises (Kotler, 2005).

Even though there are many rules and approaches towards the brand growth and development, there is no right method of how to build a brand. Building a specific brand always requires individual approach and needs to be tailored to company's goals and development strategies (Urde, 1999). A properly adjusted brand creates a feeling of security, quality, prestige, social status or reliability for the consumers. For the company, it increases its value, competitiveness, reputation, loyalty of the customers and creates the possibility of increasing prices and therefore profits. A successful brand and its products or services should be identified easily. On the other hand, a poorly chosen brand strategy may harm or even bring a company to an end (Fournier, Hsu & Srinivasan, 2012; Belén del Río, Vázquez & Iglesias, 2001).

Customers may rate the identical products very differently based only on its branding, which could be displayed on an example. One research made on pre-school children, examined a difference between the children’s taste opinion when serving the same McDonald’s food items – once wrapped in McDonald’s and once in unknown packaging. It’s probably clear to everyone, that the McDonald’s wrapped food tasted better (Kotler, & Keller, 2015).

As the manufacturing processes and technologies installed in cars are unifying, the carmakers are struggling to differentiate themselves from the competitors regarding the functionalities the cars provide (Chatterjee, Jauchius, Kaas, & Satpathy, 2002). That is a reason why the carmakers nowadays are putting much more effort in branding as a source of differentiation from the competitors (Hirsh, Hedlund, & Scweizer, 2003; Tay, 2003). Carmakers are trying to gain consumers interest and evoke positive feelings in consumers in order to transform them into purchase preferences and brand loyalty (Aaker, 1997; Park, Maclnnis, Priester, Eisingerich, & Iacobucci, 2010).

ŠKODA is a one of the oldest car companies in the world, that was established in 1895 in the Czech Republic and operated ever since. For nearly a hundred years, ŠKODA remained a Czech brand until 1991, when the company was acquired by the German concern Volkswagen Group (VW Group). Since the incorporation, the deliveries rose more than seven times and in 2019, ŠKODA alone delivered more than 1,2 million vehicles worldwide (Volkswagen AG, 2020). Under the new owner, the product portfolio expanded and now accounts for 9 individual models with countless finishes (ŠKODA Auto, 2020).

On the other hand, since the acquisition many decision-making rights about the brand no longer belong to ŠKODA, but now belong to the concern. Each of the 12 brands, that the Volkswagen Group possesses, was allocated its own positioning so that the brands would not “steal from each other”. ŠKODA was given a focus on functional and roomy cars for the product-value focused audience (Volkswagen AG, 2020).

However, according to Reuters, ŠKODA’s success growth and its second highest operating profit within the Group after Porsche caused some disputes inside the concern and called for possible changes in the future. Cheaper labor costs of manufacturing in Czech Republic over Germany, shared vehicle platforms and technology with the Group allow ŠKODA to manufacture its vehicles for a cheaper price and yet provide comparable, in some cases even more preferable products in the same class (Reuters, 2017). This might affect the future positioning of the brand as the growing popularity and sales of ŠKODA are rising at the expense of Volkswagen’s brand slower growth. The question then is whether it is efficient to lower the positioning of the brand willingly when the consumer perception and interest about the brand is naturally rising.

1.2 Importance of the topic

As already mentioned before, the brands are gaining on importance nowadays, however, building brand is now much harder than it used to be in the past. In the present world, with a lot of competition and already established brands, it is hard to make it through and succeed. People are loyal to their favorite brands and it might be challenging to get them on board for a new product or service over the established one. In uncertain times like nowadays, established brands also do better over the unbranded products. However, brands like Tesla in the automotive or Tom’s shoes in the footwear industry broke through and became very successful even in these tough industries (Forbes, 2012).

ŠKODA may be a long-established company with a rich heritage, however, the expansion of the brand to many foreign markets have only happened recently and the brand may appear new for the consumers in some markets. The more important the launch and communication of the brand on those specific markets may be. As the world is shifting online by every year and many populous countries like India, China, Brazil, Russia, South Africa, Nigeria or Indonesia are still experiencing a huge growth in their middle class, it is a perfect opportunity for some uprising companies to engage this growing class because it is the middle class that buy branded products (Forbes, 2012), which now with the Pandemic applies even more.

According to Gary Vaynerchuk, a well-known entrepreneur, author, and public speaker, if the companies don't build their brand now, then during the next decade, they are going to be competing with more brands than ever before. That is due to the lowering start-up and infrastructure costs and the ease of the companies to get to the consumers' homes or offices without nearly any cost that is going to be even easier in the near future (Gary Vee TV, 2019). An illustrative demonstration from the automotive industry can be done on the Chinese electric vehicle market, that registered an enormous amount of start-ups in this particular industry over the past years. Given the cheap labor costs in China and growing popularity and need of the electric cars may create a serious threat to the already established car manufacturers in the future (Reuters, 2020; Business Insider, 2020).

Three studies have been closely related to this study by also examining ŠKODA's brand perception among consumers using a quantitative research. Two of those studies come from Czech Republic and were also focused on the domestic market. One study focused on the ŠKODA brand perception and its differences between United Kingdom's and Poland's markets. This work is going to explore the topic further and except examining the Czech market (which is also going to be compared to previous studies), the study will also analyze the brand from the perspective of consumers of two unexplored markets (Germany and Finland) in relation to ŠKODA's brand perception with specific reasons behind each country selected. A narrow target group has been also chosen for this research based on the changing consumer preferences which is going to differ from previously mentioned studies as they rather focused on wide target groups.

1.3 Research question and objectives

The main purpose of this study is to analyze the brand perceptions of a multinational case company ŠKODA across three different markets among a specific target group. Therefore, the research question is as follow:

"What are the similarities and differences in ŠKODA's brand perceptions between Generation Z's adults from Czech Republic, Germany and Finland?"

Individual goals of the thesis are divided into two groups – theoretical and empirical objectives. In the theoretical part, a proper basis for the further research needs to be set. As this study is going to focus on perceptions of a specific brand between markets, individual brand perceptions further examined need to be explained. Also, as the study is going to provide some future brand development suggestions, branding benchmarks and latest trends in the automotive industry are needed. Therefore, following objectives have been set for the theoretical part:

1. *To develop a theoretical framework integrating the brand equity components and the brand identity model on in-depth literature review, which will serve as a basis for the empirical part.*

2. *To develop an overview regarding the branding benchmarks and current trends in the automotive industry.*

In the empirical part, gathered data should be transformed into meaningful findings. As this study conducts research on three different markets, the similarities and differences between them should be identified and compared to the already existing studies. Also, some future brand development should be suggested based on the findings and the theory section. Therefore, the following objectives have been set for the empirical part:

1. *To analyze the three markets' similarities and differences in brand perceptions of the case company ŠKODA based on the online questionnaire and compare the results with previous studies.*

2. *Based on the theory background, benchmarks, trends and online questionnaire, provide suggestions on how to improve brand perceptions of ŠKODA on researched markets.*

In this study, focus on younger consumers in the society will be put as they represent greatest importance to the company in the long run. They are either starting to be interested in purchasing their first future vehicle or are just in the beginning phase of their car ownership experience. These consumers represent possible current and especially long-term future customers, therefore a big focus on their perception of the brand should be put. If a brand is successful in acquisition of a consumer in the early stages of his/her consumption period, positive customer-experience could turn such customers into "loyals" and generate value to the company even later in the future.

This study will present novelties in several areas. The first will be providing an overview of branding benchmarks as well as the newest trends within the automotive industry. Then, this study is going to present the analysis of ŠKODA's brand perceptions on two unexplored markets being Germany and Finland. Lastly, at the end of the study, ideas and future suggestions for ŠKODA's brand development on specific markets are going to be provided.

The comparison between the selected countries is going to be one of a kind and may serve the examined company ŠKODA to learn from its strengths or weaknesses when operating on different markets. The research findings may be beneficial for other mid-class car companies as well, especially when developing a branding strategy or entering one of the researched markets.

1.4 Delimitations of the study

In order to be able to conduct a specific and meaningful research, the topic of this study has been narrowed by more limitations. In the theoretical background focusing on brands and branding, theories and models exclusively related to the empirical part are explained. The part focusing on branding in the automotive industry is limited by providing an overview of branding benchmarks and latest automotive trends, information about ŠKODA global branding and listing of closest related studies.

As already mentioned before, this research is going to be limited by analyzing the brand perceptions of consumers regarding one brand, ŠKODA, and exclusively only across three different markets chosen for the research. Specific brand perceptions that are going to be examined between the markets in this study include Aaker's brand equity assets (brand awareness, brand loyalty, perceived quality, brand associations), brand identity, perceived price, purchase intention, perceived value and country of origin. Common findings for all examined markets are going to be limited to brand associations vs. consumers' preferences, ownership perception, likeliness of brand recommendation, perceived quality vs. perceived price ratio, ŠKODA biggest competitors on the examined markets and genders' brand perception differences.

The automotive industry is too broad for the research as well and is going to be narrowed to only passenger cars. Moreover, the study will put main focus on middle-class positioned car brands, but comparison with different segments will also occur. The target group chosen for this research was also specifically defined as the adult part of Generation Z, which accounts for young consumers in ages between 18 - 25 (consumers born between 1996 and 2003).

1.5 Key definitions

The following chapter will explain some of the basic definitions needed for better understanding of this study.

Product

According to Kotler et al., a product can be anything that is being offered on the market with the purpose of fulfilling a want or a need, which includes physical goods, services, experiences, events, places, properties, persons, organizations, information and ideas (Kotler, P. & Keller, P. L., 2015). Usually there is many products of the same kind on the market and brands are distinguishing them from each other (The Branding Journal, 2015).

Brand

The title “brand” originally comes from the Norse word “brander” meaning “to burn”. That is because brands were (still are) used by the livestock owners to mark their property and identify them. Today, brand can be perceived in many ways. One of them says, that brand is a name, term, sign, symbol or design (also combination of them), that serves to identify the goods or services from one another and differentiate them from the competition (Keller, K. L. & Swaminathan, V., 2020; American Marketing Association, 2020). According to Kotler et al., brand could be also explained as an offering from a known source (Kotler, P. & Keller, P. L., 2012).

Branding

Branding is a process of attributing characteristics to specific products, services, companies or organizations. Organizations are developing branding strategies in order to help the customers identify them, experience their offerings and convince them to prioritize their product or service over the competition by determining what their brand actually does, or does not stand for. The consumers are, however, in the end the ones creating the brand in their minds based on their associations with the brand (The Branding Journal, 2015). According to Kotler et al., “branding is endowing products or services with the power of a brand” (Kotler, P. & Keller, P. L., 2015).

Brand Equity

The most famous theories of brand equity are the theories of D. Aaker and K. L. Keller. Even though both theories are based on different principles and measures, the definition of the brand equity remains the same. A brand equity can be interpreted as an aggregate of couple of measures that form a value of a brand based on customers thoughts and feelings about the brand (Kotler, 2015).

Brand Image

Number of researchers have proposed brand image as a component of brand equity (Keller, 1993) and similarly many studies detected a direct impact of brand image on brand equity (Faircloth, J.B., Capella, L. M. & Alford, B. L. 2001). According to Keller, brand image is described as how consumers perceive a brand in their own memory associations (Keller, 1993). Different said, a brand image is the way consumers think and feel about a certain brand when visualizing it (Keller, 2001). Good brand image then provides companies with a possibility of achieving a competitive advantage on the market (Roy, D., Banerjee, S., 2007).

1.6 General overview of the literature

The literature used in this study is divided mainly into two groups – literature focusing purely on brands and resources connecting both important aspects of this work, brands and the automotive industry.

Regarding the first half of the theoretical framework, brand equity and building brand, the main emphasis will be put on the experts in the field and their publications. Therefore, the first part of the theoretical background is going to be based mostly on publications and theories of Philip Kotler (Marketing Management, 2012; According to Kotler, 2005; …) , Kevin Lane Keller (Strategic Brand Management, 2020; Marketing Management, 2012) and David A. Aaker (Building Strong Brands, 2010; Aaker on

Branding, 2014 …), which belong to the current greatest experts in marketing and branding. However, these theories will be supplemented and compared to other publications in the field.

The second part of the theoretical framework, branding in automotive industry, will be based on few different sources based on the specific topic. Key trends and branding benchmarks in the automotive industry will be based largely on automotive industry annual reports issued by multinational consulting agencies such as Deloitte, PwC or Accenture. An introduction to ŠKODA brand itself will be based on its official ŠKODA brand website. Lastly, previous academic studies related to ŠKODA brand perceptions among consumers are going to be mentioned and the results of their studies will be summarized.

1.7 Structure of the thesis

The master's thesis is structured as follows. First chapter of the thesis, introduction, has already been presented above and serves as an overview and explanation to the following chapters. It includes a background to the topic, importance of the study, research question and objectives, delimitations of the study, key definitions needed for better understanding of the study and an overview of the appropriate literature.

Next, the theoretical framework of thesis is divided into the second and the third chapter, where the necessary background for further research will be developed. The first part of theoretical framework will be dedicated to brands and branding in general and second to the specific branding in automotive industry. In the first section, brand equity and brand identity models are going to be presented. Second part of the theoretical framework, branding in the automotive industry, is going to cover the branding benchmarks and key trends in the automotive industry. Thereafter, the company ŠKODA and its brand is going to be introduced. Overview and summarized results of previous studies closely related to this study are going to be presented. Lastly, the whole chapter two and three are summarized into a quick overview of the theory background.

Fourth chapter will contain all information about the Research methodology. First, research approach including the research philosophy, approach to theory developed, methodological choice and strategy are going to be discussed. Second, the data collection methods, selection of the sample and its presentation is going to be listed. Thirdly, data analysis is going to be presented. Lastly, data validity and reliability are going to be mentioned.

In the fifth chapter, research findings including the similarities and differences between the examined markets are going to be presented and statistically tested. After, common findings across markets and differences based on the different genders' perceptions will be presented as well.

Last chapter includes discussion and conclusions. Firstly, main conclusions of the study including answer for the research question are going to be presented. Secondly, managerial implications are provided and lastly, limitations and suggestions for future research are presented.

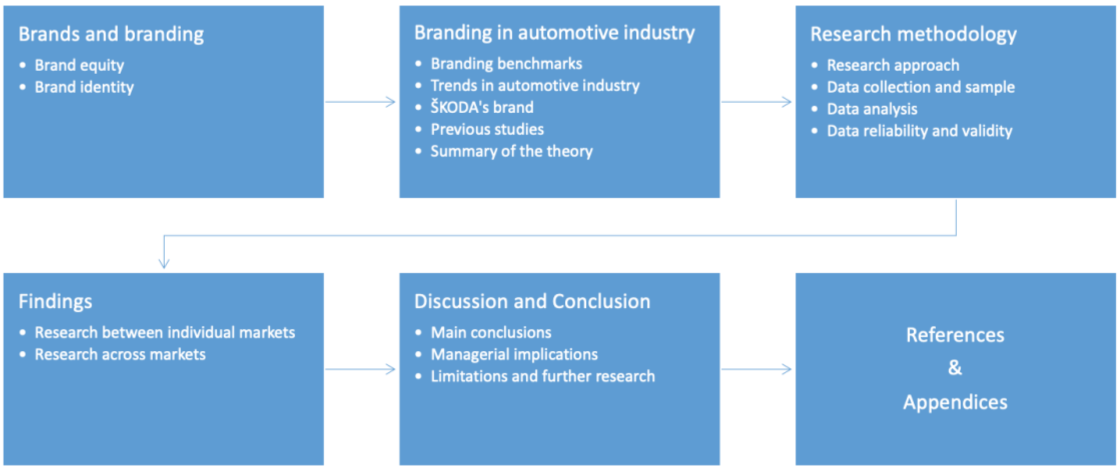


Figure 2: Following structure of the thesis

2 Brands and branding

The purpose of this chapter is to provide essential and necessary information for further development of the thesis regarding the topics related to brands and branding. First, different brand equity models are going to be presented and the model of D. A. Aaker and its components, that are going to be used further in the findings are developed thoroughly. Lastly, a brand identity model and its dimensions also developed by D. A. Aaker are going to be presented and later utilized in the empirical part.

2.1 Brand equity

One of the ways how to determine the strength/success of the brand is through tracking and measuring brand equity or other long-term financial performance indicators that have substituted tactical measures such as short-term sales. (Aaker, 2014) According to Kotler, brand equity is a summary of couple of measures, that allow us to control whether a brand/company is growing stronger in a marketplace (LeadersIn, 2015).

The term brand equity was first used in 1989 by P. H. Farquhar and is considered official definition of brand equity. The definition is set as: *"the added value with which a given brand endows a product"* (Baalbaki & Guzman, 2016, p. 33). Even though this definition might not be completely clear, it has served as a foundation for future research (Smith, Gradojevic & Irwin, 2007).

Brand equity is recently one of the favorite and important concepts in marketing over the last years. Brand equity has increased the importance and focus on branding in marketing strategies. There are many models that has been assembled for variety of purposes determining different components of brand equity. Even though there are many different approaches towards this concept, the literature agrees on that the brand equity consists of the marketing affects particularly connected to a brand. Brand equity also serves as a guide for marketing activities and help to evaluate the brand's worth (Kotler & Keller, 2012).

There are several brand equity models: "BrandAsset Valuator" (BAV) is a model developed by an agency called Young and Rubicam (Y&R) and is based on four key components of brand equity – *energized differentiation, relevance* (together forming the strength of the brand), *esteem and knowledge* (together forming the stature of the brand). The connections between these components create a brand's "pillar pattern" that tells a lot about brand's current and future status. The brands are then being situated into a brand map, where being divided between four quadrants (leadership, niche/momentum, new/unfocused, eroding/declining) based on the individual indexes of each of the components (Kotler & Keller, 2012).

Another model, called the "BrandZ" model, developed by marketing research consultants Milward Brown and WPP is based on levels, which consumers (and the number of them) already reached. The individual levels given in ascending order (from the bottom to the top) are following – presence, relevance, performance, advantage, bonding. The model is displayed in BrandDynamics pyramid, which presents, how many consumers have reached each level (Kotler & Keller, 2012).

The "Brand resonance model", likewise BrandZ model, see the purpose in ascending series of steps from the bottom to the top, where the bottom steps represent the weakest connection to the brand and the highest steps the deepest. Individual steps of the Brand resonance model are – brand salience, brand performance, brand imagery, brand judgments, brand feelings and brand resonance (Kotler & Keller, 2012).

As there is no united way to examine and measure brand equity, all these models can be used for such purpose. However, this study is going to focus on certainly the most widely accepted definition of brand equity, which is the model of David A. Aaker (Smith, Gradojevic & Irwin, 2007), that is going to be used and examined in this study. Moreover, this approach was also used in the previous studies related to ŠKODA brand which adds a possibility for comparison to the previous research results.

According to Aaker, brand equity stands for number of assets and liabilities connected to a certain brand and symbol that increases or reduces the value that comes with a product or service to a company and/or the company’s customers (Aaker, 1996). The major components of brand equity according to Aaker are:

1. *Brand awareness*
2. *Brand loyalty*
3. *Perceived quality*
4. *Brand associations*

Each of the brand equity components adds value in a variety of different ways (see Figure 3, where a fifth component - other proprietary brand assets - is added for the completeness of the figure) both to the customer as well as the company. To be successful in managing brand equity the correct way and to make right decisions about brand-building activities, it is important to pay attention to the ways brands create value. By customers, it is important to not only take into consideration the end users, but also the intermediaries (retailers, resellers, suppliers, agencies etc.) that come into contact with the brand as they could as much effect the success of the brand. It is important to remember, that these assets of brand equity are connected to brand name or brand symbol. Once a company would decide to rename the brand or change the symbol, many liabilities and connections to the brand may be affected or even lost (Aaker, 1996).

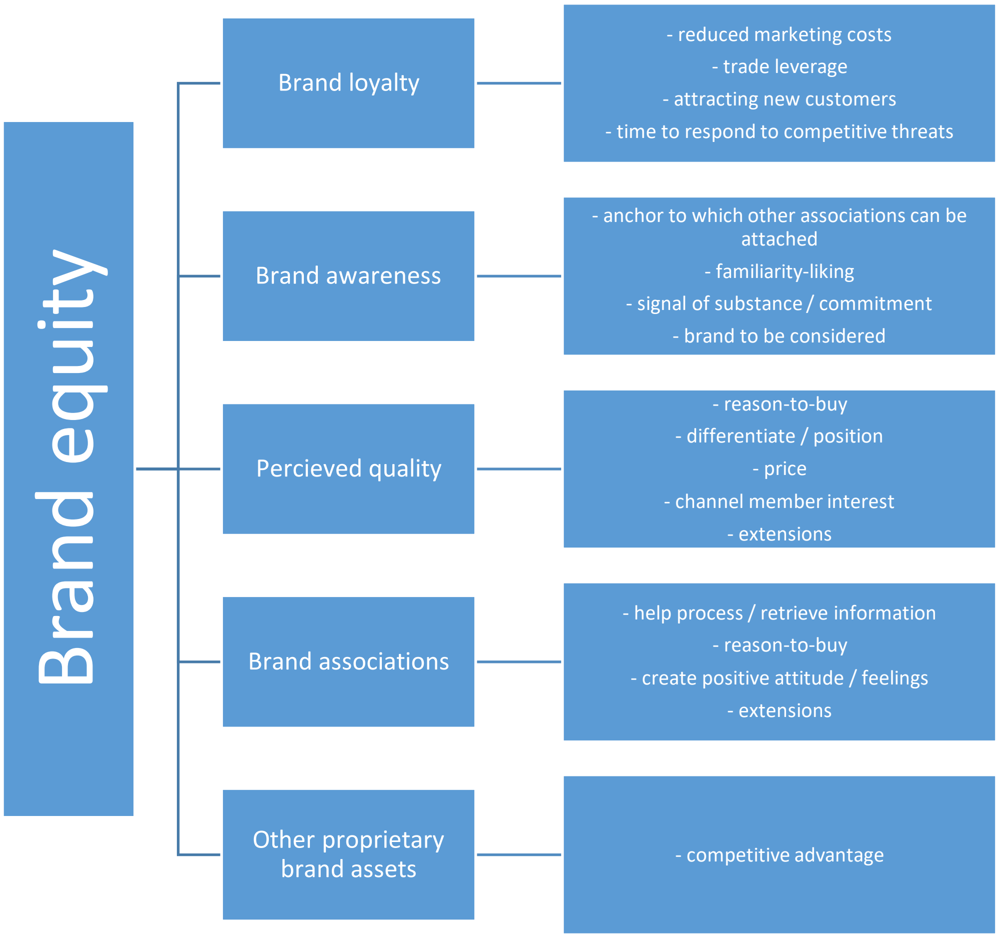


Figure 3: How brand equity generates value (Adapted from Aaker, 1996, p. 9)

These components of brand equity provide value to the customer by increasing customer's interpretation, confidence in the purchase decisions and the satisfaction from the use of the product/service. The value of a firm is than delivered by increasing the efficiency of marketing programs, brand loyalty, prices and margins, brand extensions, trade leverage and competitive advantage (Aaker, 1996).

2.1.1 Brand awareness

Awareness of the brand indicate, to what extent is the brand present in the consumers' minds. Brand awareness is measured and determined in accordance with the way consumers remember a certain brand starting with recognition (whether the consumer recognize the brand when shown), continuing with recall (actively naming the brand when asking about brands of a certain product), to top of mind (when the brand is first named) ending with dominant (when the brand is the only recalled by the consumer) (Aaker, 1996).

Brand awareness is often an undervalued asset, however, has proven to have an effect on changing people's perceptions, liking or even their behavior. Consumers prefer familiar brands over the unknown and are even often inclined to attribute them positive features. Eventually, when conducting any purchase, brand awareness can influence the purchase decision of a consumer by recalling a certain brand at a key time and that way including the brand between the considered options (Aaker, 2014).

Recognition of a brand is connected to consumer's previous exposure to a brand. The strength of the exposure differs and simply recognizing a brand does not necessarily mean the consumer is aware of where was the brand spotted, how it is different from other brands or even what is the brand's product class. Research has shown that only recognizing a brand evokes positive feelings and consumers unconsciously prefer a familiar product or brand over an unknown. Therefore, when it finally comes to the purchase decision, a familiar brand will have an advantage (Aaker, 1996).

This fact could be showcased on a study, where five energy drink brands are examined. Consumers were first asked for their brand preferences and later underwent blind taste tests. Out of the five examined brands, three belonging to the more established ones such as Red Bull (nearly half of the respondents voted as a number one preference), Monster and Rockstar noted much greater preferences than two less known brands, Amp and Full Throttle. On the other hand, the blind tests showed completely different results. Although Monster came out as a winner, Amp and Full Throttle placed second and third leaving a large gap between the first three and Red Bull and Rockstar (initially placed first and third based on consumers preferences) (Moore, 2009).

Economists are of the opinion, that consumers choice of familiar brands is not only an instinct, however, that there is more theoretical background behind that. Consumers realize that companies are spending money on the visibility of their brand and as is generally perceived, that companies would not spend money on bad products, consumers automatically believe the brand is good when recognized. Such brands that have more visible or established competitors on the market need to realize the importance and build awareness to reduce their handicap (Aaker, 1996).

Brand recall as a next level of brand awareness corresponds with consumer being able to name a brand when a certain product class is given. The ability to recall a brand by a consumer could be a vital factor of being included in the purchase decision. The relative power of recall is illustrated in so-called "graveyard model" developed by Young and Rubicam (Aaker, 1996).

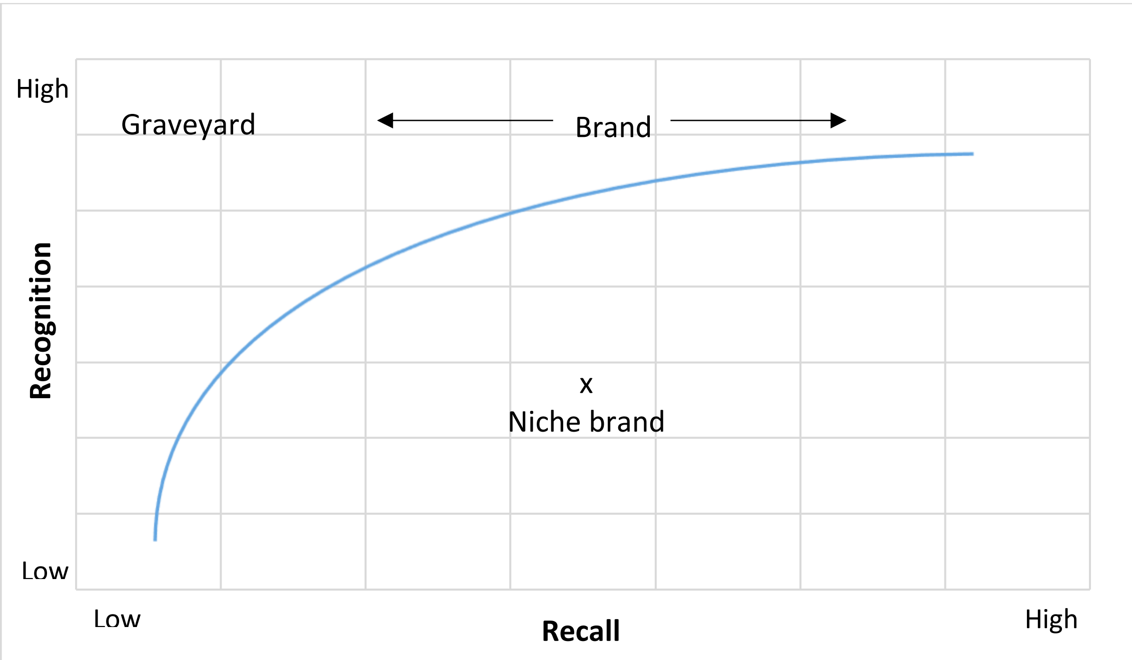


Figure 4: Recognition versus Recall: The Graveyard model (Adapted from Aaker, 1996, p. 15)

This figure measures relationship between the quantities of recognition and recalls of brands in a certain product class among consumers. Each brand could be therefore situated on the map based on the results. In majority of product classes, brands tend to copy the curved line except two particular cases. First case accounts for healthy niche brands, which could be found below the curved line as niche brands only have a really specific customers and therefore low general recognition. In their case, however, a low recognition does not necessarily mean a bad performance as niche brands have high recall in their specific target group (Aaker, 1996).

Second case accounts for the graveyard, which is to be found in the top left corner and is filled by brands with high recognition but low recall. Graveyard is not a position brands want to be found in as it indicates that the consumers have the knowledge about the existence of a brand, however, they would not recall the brand when thinking about a purchase. It may be difficult to get out of the graveyard as consumers are not interested in hearing about already familiar brand. Thus, the outcome of this model is that a high recognized brand might not equal a strong brand (Aaker, 1996).

It is ideal if a brand is located in the upper-middle to upper-right area. If a brand is moving in the direction of graveyard, lower sales and market share could be expected. On the other hand, moving away from the direction of graveyard can be entailed with increasing sales and market share. The graveyard model thus showcases the importance of not only the recognition, but also the brand recall (Aaker, 1996).

2.1.2 Brand loyalty

According to Aaker, brand loyalty is, unlike in other brand equity concepts, rightfully a component of brand equity that determines loyalty of the customers to a certain brand. The reason to incorporate loyalty as a brand equity component is that loyalty of the consumers largely generates value to the firm. As a second reason justifying the incorporation of loyalty between the equity components is that it supports the loyalty-building programs which then contribute to the increasing brand equity (Aaker, 1996).

Aaker describes brand loyalty as a center of brand's value as it generates constant customers and once loyalty is achieved, it is persistent. A loyal customer will be continuously bringing value to the company in the future. Once a customer is attached to certain brand, it is hard to gain his/her attention by another competitor and their effort is usually tedious and costly. Therefore, increasing the strength and number of loyal customers by building customer relationships is considered one of the brand-building goals (Aaker, 2014).

Thanks to loyal customer base, companies are able to have predictable sales and profits and therefore brand loyalty is one of the key components when it comes to evaluating brands worth. Brand without a stable customer base is actually vulnerable and its value may represent just a potential to create a loyal customer base in the future. In terms of marketing costs, companies without existing loyal customers are also forced to spend more on marketing as it is harder to attract new customers than to keep them. One of the fundamental errors companies make, is to pursue growth by chasing new customers, while forgetting about the existing ones. Existing customers' loyalty can be also taken as a barrier to enter the market for the competitors as attracting new customers to switch loyalty is often really demanding and expensive (Aaker, 1996).

Loyalty segmentation is another important thing to consider when building a strong brand. Customers are possible to be divided into: noncustomers (competitor's customers or product class non-users), price switchers (price responsive consumers), the passively loyal (purchase initiated by a habit rather than reason), fence sitters (consumers being indecisive between two or more brands) and the committed. The brand's aim should be to improve its loyalty profile by growing the number of customers who are not price switchers, to acquire the fence sitters, secure the committed and register growth in customers who would be willing to pay more or overcome brand's occasional inconveniences (Aaker, 1996).

The passively loyals and committed customers are often the segments companies often forget about or take for granted. In case of passively loyals, companies should strive to avoid distribution gaps or out-of-stocks which might force the consumers to switch brands. In order to keep those customers, companies need to have available sizes, colors, flavors or anything else that may be desired by the customers despite the economical drawback of having a wide offering. Businesses usually assume that they have already acquired their committed customers and that they do not need to worry about them anymore, however, committed customers can still increase businesses worth. By increasing the products benefits or service offering, customers may be willing to use them even more than before. Also, when not increasing the customers benefits, customers may be attracted by the competitors. Thus, businesses should not redirect their resources from the loyals at the expense of price switchers and non-customers (Aaker, 1996).

There are multiple ways how to increase loyalty among customers. Loyalty of fence sitters and committed can be grown by strengthening their relationship with brand, which can be achieved by increased awareness of the brand, the quality perception or an efficient and well-defined brand identity. Another way of increasing loyalty could be for example the frequent-buyer programs or membership clubs. Frequent buyer programs had been launched by the airlines (e.g. United Airlines' Mileage Plus, American Airlines' Advantage) and later extended in other product classes such as books, hotels, fast foods and even cars. For example, General Motors (GM) together with Mastercard launched a program, where customers receive a rebate on purchase of a GM car/truck corresponding to five percent of their credit card spending. Thanks to this program, General Motors sold 140 thousand vehicles and issued around 12 million cards over a horizon of 18 months. Such program provides clear and tangible reward for loyal customers, increases the value offering and differentiation of a business and also demonstrates the commitment of the business to its loyal customers instead of taking them for granted (Aaker, 1996).

Membership clubs are another alternative for building a stronger loyalty (Aaker, 1996). A perfect example of such membership is Amazon's Prime. Being member includes various benefits of Amazons ecosystem starting with free shipping, movie and TV streaming, add-free music playing, and unlimited reading or photo storage. Even though many Prime members would not use all the benefits and may only utilize the free next-day delivery, the overall package providing lot of free services may seem like an advantageous offer to Amazon's customers (Amazon, 2021; Insider Trends, 2018). As well as the frequent-buyer programs, also membership clubs show the customers its interest. However, the membership clubs are much more customer involving in comparison to rather passive frequent-buyer programs. Customer membership, or also customer club, could be referred to as a mean, by which a customer identifies with the brand, express his/her perception and share the connection to the brand with other members (Aaker, 1996).

Customer data acquired from frequent-buyer programs and membership clubs could be further utilized for database marketing which allow the businesses to focus on narrow and focused segments. Customers could be tailored and apprised with latest information about new products, special promotions, events etc. fitting to their purchase profiles. As those information are targeted to specific segments, customers will experience individual approach allowing them to strengthen their relationship toward the brand and simultaneously create a presumption that the business cares about the individual interests of each customer (Aaker, 1996). Customers can be approached in many ways as for example by email newsletter, or nowadays more commonly on their social media accounts as the platforms already own the users' data including the email addresses, so there is no need to obtain the email address individually from customers anymore. Moreover, customers are nowadays in the vast majority of cases more likely to check their social media accounts' notification rather than the opening an email (Stirista, 2020).

2.1.3 Perceived quality

Aaker determined perceived quality as a third component of brand equity and there are multiple reasons supporting this theory. First, out of all brand equity components, perceived quality has been the only proved to be enhancing the financial performance of the firms. Secondly, perceived quality is often taken as a main strategic objective by the firms. Lastly, perceived quality also affects the other perceptions consumer may have about the brand (Aaker, 1996).

Three studies on the relation between the perceived quality and the financial performance of the organization confirm its close bond. First study showed, that from over 100 measurable variables of more than 3 000 examined companies, perceived quality was the most affecting factor on organization's ROI (return on investment). It has been shown to have more impact than the R&D, organization's market share or the marketing expenditures of an organization. Partial reason for that is that perceived quality allow companies to increase the prices as well as increases its market share (Jacobson & Aaker, 1987). Second study conducted for 5 years on Swedish market examining over 70 companies found out, that perceived quality is the leading factor of customer satisfaction which also significantly affected the return on investment (Anderson, Fornell & Lehmann, 1994). Lastly, a 4-year study of over 30 publicly traded companies confirmed that perceived quality has almost as big of an impact as ROI on higher stock return and provided the brands with higher sales and profits (Aaker & Jacobson, 1994).

Perceived quality is usually the center of what customers are buying. Perceived quality could be referred to as a "*brand goodness that spreads over all elements of the brand like a thick syrup*" (Aaker, 1996, p. 19). It has been shown that brands focusing on functional benefits rather than quality are subjected to perceived quality of those benefits anyhow. Generally, if perceived quality of a brand improves, other elements of the brand improve in the minds of consumers as well (Aaker, 1996).

In many industries focused on the functionality and reliability of the products, perceived quality is playing a crucial role and is determining the competitiveness of a brand. According to many studies, functional benefits of a product/service are also contributing to the quality perceptions and when these are rising, so does the customers' overall perception of the brand. It is necessary to point out, that producing a quality product/service is a good start but does not necessarily mean that the perceptions of quality have been achieved in consumers' minds (Aaker, 2014). Reason for that may be lacking quality in the past that is then carried with a brand and consumers might not be willing to trust the new quality statements or might not be willing to try them. Therefore, protecting a brand from a bad reputation connected with bad quality is essential as it might be impossible to change the perception back (Aaker, 1996).

On the other hand, perception of quality might be impossible to create without an actual quality basis for that. Creating a quality product or service requires a consciousness of what quality represents to customers, continuous quality improvements and corresponding organizational culture that will facilitate high quality products or services. It may happen that a company is striving for quality achievement in areas customers do not consider relevant to them. In such case, customers may not even register or appraise those changes. Therefore, quality improvements must be made in areas that are important for customers, not the organization (Aaker, 1996).

Consumers also usually do not possess all the quality information or lack the time to examine the quality of the products properly and focus on one or two measures they associate with quality themselves. The key for businesses is to find out what those essential quality measures are according to consumers and focus on those (Aaker, 1996). For example, if consumers evaluate quality of the car by the size of joints between the individual parts of car body, the joints better be the same size around the perimeter of the car.

2.1.4 Brand associations

According to Aaker, customer's brand associations is the last of the components that are affecting brand equity. The associations customers' might have connected to a certain brand might be some product attributes (Volvo safety), a particular symbol (Tiffany blue box), design (Calvin Klein), quality (Rolex), user imagery (Nike), product breadth (Hilton), being global (Coca-Cola), innovation (Apple), brand personality (Singapore airlines), a celebrity connected to a brand (George Clooney for Nespresso) and many more. Simply said, brand associations can be taken as anything that comes to mind of a customer when thinking about a certain brand (Aaker, 1996; Aaker, 2014).

Brand associations are induced by the brand identity, which is where the organizations' aim to be hold in consumer's minds. (Aaker, 1996) Associations consumers have can evolve in customer relationships, purchase decisions, user experience and even brand loyalty. Important part for a company is then to decide, which associations they want to develop in consumers minds, how to enhance those associations and how to link them to the brand (Aaker, 2014).

Other proprietary assets

Other proprietary assets could be represented by organizations patents, intellectual property rights, trademarks and other assets providing an organization with a competitive advantage that the brand owns (Clootrack, 2021).

2.2 Brand identity

Brand identity is a set of associations that the company intends to create or maintain. The associations demonstrate what the brand stands for and at the same time, it's also a promise from the company to its customers. With the help of brand identity, companies should be able to build a relationship between the brand and the customers by creating a value offer including functional, emotional or self-expressive benefits (Aaker, 2010).

Brand identity is divided into 4 perspective groups (brand as a product, brand as an organization, brand as a person and brand as a symbol) that are further subdivided into 12 dimensions mentioned in the table below (Aaker, 2010).

Table 1: Brand identity perspectives and dimensions (Adapted from Aaker, 2010, p. 79)

Brand as Product	Brand as Organization	Brand as Person	Brand as Symbol
1. Product scope 2. Product attributes 3. Quality value 4. Uses 5. Users 6. Country of origin	7. Organization attributes (e.g., innovation, consumer concern, trustworthiness) 8. Local vs. Global	9. Personality (e.g., genuine, energetic, rugged) 10. Brand-customer relationships (e.g., friend, adviser)	11. Visual imagery and metaphors 12. Brand heritage

2.2.1 Brand as product

Even though the product do not equal the brand and these two terms should not be confused, product-related associations will certainly be top of mind since they are directly connected to the consumers' brand choice and experience with the brand (Aaker, 2010).

The *product scope* as first of its dimensions is usually determined by the brands purpose, which further influences the suitable associations. For Ben & Jerry it is ice cream, for Visa it is credit cards, for BMW it is automobiles etc. When a brand is strongly connected to its product class, brand should be recalled when product class mentioned. Dominant brands, usually the only brands recalled in certain product scope are for example Kleenex in tissues, Pampers in diapers or Sanytol in disinfections (Aaker, 2010).

Product related *attributes* connected to the purchase or a use of a product can mean functional or emotional benefits to its users. Such attributes can increase the value by offering something better (7-eleven chain being more available than regular shops, Marriott hotels with its express checkout) or something special (Virgin Airlines free limousine service with business class ticket, Tesla free international phone calls in showrooms) (Aaker, 2010).

Quality is in every market an important attribute determining whether a business is able to survive (meet the lowest admissible quality expectations) or to win over the competitors (meet the highest quality expectations). For many brands, quality even serve as a main identity element. This could be showcased for example on Gillette's claim "The Best a Man Can Get" or Starbuck's reputation for delivering the finest coffee worldwide with integrity and consistency (Aaker, 2010).

Some brands successfully appropriated a certain *use* of their product making it typical for their brand. Gatorade, for example, appropriated the use of their drinks for athletes to sustain a high level of performance. Clorox bleach became well-known for clothes whitening and Starbuck's coffee houses for a place to relax (Aaker, 2010).

Some brands are positioned based on the type of their target *users*. Pampers are positioned for infants and toddlers and Friskies is for active cats. A strong orientation on the user can create an increased value for the consumer and suggest a brand personality (Aaker, 2010).

Brands are also being associated with *countries/regions of their origin*. Undeniably, Chanel comes from France, Swatch watches from Switzerland, Finlandia vodka from Finland, Audi cars from Germany. Brands are associated with particular countries in order to imply a higher quality image of the brand as those particular countries or regions are known for making some of the best products within that product class (Aaker, 2010).

A study showed that the country-of-origin perceptions depend on a particular product class. Japanese electronic goods could be rated high, however Japanese food is rated lower. On the contrary, French food is appreciated more than French electronic goods. It is however possible, that a success of a country in some product category could be transferred into another product category creating a false perception of their prestige (Aaker, 2010).

2.2.2 Brand as organization

Unlike the previous perspective, brand as organization perspective concentrates in general on the *organizational attributes* that are not linked to a specific product or service. For example innovation, quality, trust or environmental responsibility are represented by the people, culture, values or company programs and belong to organizations' attributes (however, if quality and innovation would be linked to a specific product/service, then would be considered product-related attributes) (Aaker, 2010).

In comparison with product related attributes, organizational attributes are more permanent and resistance to competition as it is much easier to copy a company's product or service than to copy the organization (including its values, programs or employees). These attributes also cover the whole organizational product portfolio making it for a competitor in one product class hard to challenge these attributes. As organizational attributes are hard to measure, they are also hard to attack and compare with the competitors (Aaker, 2010).

Positive associations of the company like customer focus, technological commitment, *local orientation* or environmental concern can bring emotional or self-expressive benefits to the consumers based on their respect, admiration or positive relationship to the organization (Aaker, 2010).

2.2.3 Brand as person (Brand personality)

A brand could be assigned human *personality* qualities that are somehow associated with that certain brand. For example, Apple can be described as creative, casual, innovative, stylish, easy-going, friendly, cool, intuitive or anti-corporate (Aaker, 2010; Deakin Business School, 2016). Brands are able to beneficiate from these associations in several ways.

First, the brand personality associations could induce self-expressive benefits to a consumer. For example, for an Apple customer, buying an iPhone might induce a feeling of being cool, stylish and easy-going. Secondly, same as human personalities are influencing human relationships, brand personalities are influencing the *brand-customer relationships* as well. For example, Dell could be seen as a professional helping one with difficult tasks. Lastly, brand personality could serve as a communication tool for the attributes of the product itself and hereby communicate its functional benefit at the same time. This could be showcased on the strong and energetic personality of Michelin's mascot, which propose, that Michelin tires' features are also going to be strong and energetic (Aaker, 2010).

2.2.4 Brand as symbol

A strong brand symbol can be beneficial to a company as it makes recognition and recall easier for the consumers. In table 1, three dimensions of symbols are mentioned – visual imagery, metaphors and brand heritage, however, symbol could be anything that represents the brand starting from the decoration of the branches to a brand's pricing policy (Aaker, 2010).

Visual imagery symbols such as the Nike's swoosh, McDonald's golden arches, Coke bottles and cans or the Mercedes-Benz emblem are powerful symbols connected to the certain brands. As the connections between the symbol and other brand identity elements are built over a longer period of time, every contact with a strong symbol represents a reminder of a big part of brand's identity (Aaker, 2010).

A symbol is stronger when accompanied with a *metaphor* that communicate the functional, emotional or self-expressive benefits. An example can be made on the Energizer bunny that stands for long-lasting battery life, Rolex crown for every achievement or Ferrari horse for power and speed. When a company possess a strong symbol, it can be utilized for the future brand strategy including the packaging, design of the product or its communication (Aaker, 2010).

An interesting *brand heritage* could also belong to the essence of a brand. It could be the Coca Cola's long lasting traditional beverage established in 1886 or the Starbucks coffee and its link to the first coffeehouse in Seattle's Pike Place market that represent the brand and create a part of its value (Aaker, 2010).

According to Philip Kotler, the world's foremost authority on marketing (also called the "father of modern marketing") and his publication in The Marketing Journal, companies often make a mistake by setting the brand's identity first when building a brand. The companies should first define the brand's purpose as it justifies the existence of the brand and importance for the customer in the first place (Kotler, 2016).

Another step the companies should focus on is positioning of the brand. As Kotler mentions in the example, every car company is going to promise the consumers to get them from the point A to the point B, but Volvo is going to promise the maximum safety when moving from A to B. Volvo has positioned itself a safety car maker. However, another car maker can consider itself a safety car maker as well. In this case, Volvo and its competitor are positioned the same and suddenly there is a need to differentiate from the competitor. It could be done e.g. by developing an autonomous system of detecting pedestrians in the drive way in order to prevent the collision. That way, Volvo has developed technology the competitor is lacking and hereby differentiated itself from the competitor Kotler, 2016).

As already said, in the beginning, the company needs to set its purpose. Once the brand purpose is found, companies need to utilize positioning and differentiation to communicate the purpose of the brand and simultaneously contribute to improvement of the brand identity Kotler, 2016).

Kotler mentions opinions of an expert in brand building David A. Aaker, whose publications are analyzed in this thesis as well. Aaker claims, that brands should not just specify its functional purpose, however, they should also express their higher purpose which contains emotional and social benefits coming with the certain brand. This could be displayed on an example of Coca-Cola brand. Coca-Cola's functional purpose is, as they claim, to "relieve thirst with a good taste", however, the higher purpose is to "deliver happiness" (Kotler, 2016).

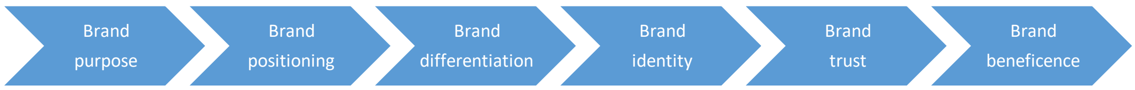


Figure 5: Philip Kotler's 6-step branding conceptual model (Adapted from Kotler, 2016)

As displayed on the figure 5, Philip Kotler continues and adds up to the Aaker's identity by adding fifth and sixth step for an attractive and sustainable brand. The fifth step, as Kotler states, is to build brand trust so that customers have faith in the brand to deliver what it promised to its customers. The sixth and last step the brand should focus on, is to deliver brand beneficence. Brand beneficence determine whether the brand benefit the individual or the society as a whole. This can be displayed on an example of popular cigarette brand Marlboro. The Marlboro cigarettes may be delivering a good taste and feeling of satisfaction to its consumers, however the side effects of using such cigarettes are not benefiting neither the consumer or his/her surroundings (Kotler, 2016).

Kotler concludes his article by mentioning that marketers need to think beyond the customers' minds and target also their hearts and well-being which could be referred as emotional marketing. Kotler also states that this concept is relevant for todays' growing importance of digital and social media. With so much information around and people being connected around the world, consumers are the ones deciding about brands future. Brands need to have a clear positioning and differentiate from its competitors. Since word-of-mouth is growing on importance and people believe opinions and experiences of their close ones more than what companies say or advertise, inauthentic brands would not survive long (Kotler, 2016).

3 Branding in automotive industry

The purpose of this chapter is to connect branding with automotive industry as this study focuses on a carmaker ŠKODA. Firstly, the branding benchmarks in the automotive industry will be presented. The aim of this chapter is to show the significance of brands within the industry and present individual branding strategies towards improving brand perceptions. Secondly, the latest trends in automotive industry will be presented. The trends not only show the direction in which the industry is going, but also should encourage car companies in actively moving towards these trends so they are not left behind. Thirdly, the introduction to the case company and its brand is presented. Next, the previous studies closely related to ŠKODA's perception are mentioned and their results summarized. Lastly, the summary of the theory is mentioned and hypothesis for statistical testing are presented.

3.1 Branding benchmarks in the automotive industry

In increasingly competitive markets such as the automotive market, brands are playing a crucial role on the way to success. A decision process of purchasing a new car became a really complex task as there are many options for consumers in each vehicle class. Consumers are making their purchase decision based on recommendations, experts, car dealers and brands, that are simplifying the decision-making process (Brunello, 2017). For an automotive market, competing on price is no longer profitable nor sustainable in comparison with competing on the brand preference. That is why car companies need to develop and sustain a positioning that is different and/or better than its competition and therefore create a competitive advantage (CMB Automotive Marketing, 2021).

Traditionally, the success of car producing companies was measured by the superiority and reliability of their product. In the 21st century, the error rate of the manufactured vehicles lowered rapidly and so did the perception of success. Nowadays, it is the customer experience with a certain brand, that is indicating company’s success (Clark, 2020).

Social media

Integration of social media platforms is essential nowadays for the car companies in order to create regular interactions, increase engagement and build strong customer relationships with a brand. The importance of social media could be understood from a strong presence of consumers on social media. The consumer trends show, that 80 % of possible car buyers are beginning their vehicle research online and 53 % of consumer are using multiple devices such as smart phones, where the social media are exceeding other platforms. Prevalent amount (87 %) of social media budget is dedicated to two social media giants, Facebook and Instagram. According to Adaptly, companies are investing in social media platforms to increase 3 different stages of consumer perceptions and behaviors – awareness, consideration and conversion accordingly (Adaptly, 2019).

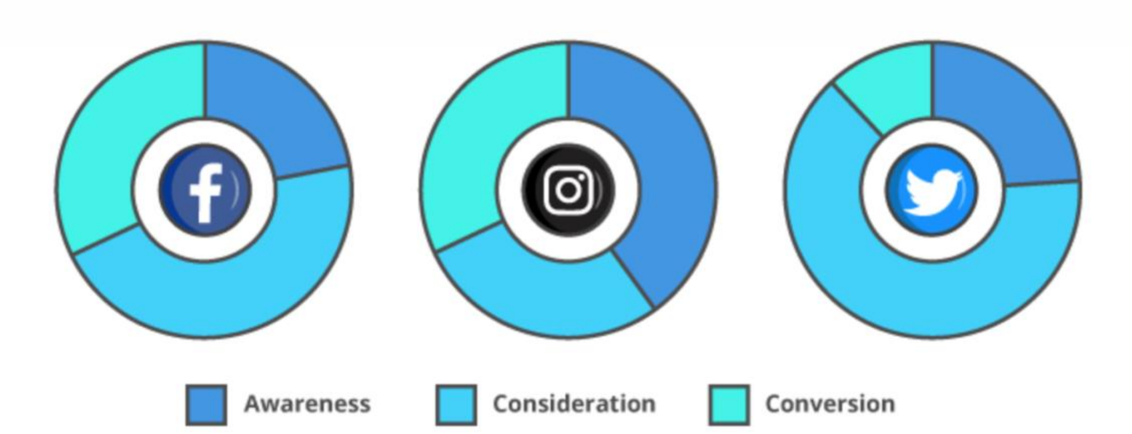


Figure 6: Automotive spend by platform 2018 (Adaptly, 2019)

Similarly, a study by Track Maven showed that automotive industry followers are present on many social media platforms such as Facebook, Twitter and Instagram. Even though Facebook is the most represented platform, the variety of customers in the automotive industry is huge and therefore companies should not rely only on it and combination of platforms should be utilized. One of the social media purposes is to serve as a reminder of the brand, creating a constant brand awareness and positive associations towards a brand as these are critical before even considering a purchase.

Even though Facebook is the most represented platform, the studies show that Instagram provide much more engagement with consumers than its “big brother”. It is then up to companies how to utilize this information, whether to invest in Instagram and interact with its followers or whether to choose Facebook for its long reach. The answer is combination of both. Companies should utilize the advantages of both and set the marketing strategies based on that. Investing into other social media platforms is also a possibility, but depends on the location as the presence on other platforms differs a lot between countries (GeeksChip, 2020).

A study published in the International Journal of Mechanical Engineering and Technology shows, that social media are highly influencing the vehicle purchase decisions as majority of respondents were highly influenced by the social media content before making a decision about buying a car of a specific brand. The study has proved that younger people tend to be influenced more by the social media and that an interest in automotive brands on social media is highly represented by men. The study further highlights the growing importance of social media on purchasing decisions in the automotive industry and the need for the automotive brands to create effective social media strategies in order to develop a successful business (Darshan, 2018).

The social media marketing of Opel could serve as an example of successful handling of brand’s social media account. In 2019, Opel took a risky way of how to make themselves visible when they started posting unfriendly posts about other companies, but also themselves on their Twitter account. After a while without any explanation, Opel claimed, that their marketing activities were handled by a famous cat Grumpy. After that, the company started using the hashtag #OpelGoesGrumpy, created a branded calendar and even launched a new Opel Astra with the Grumpy cat to entertain their followers.

Thanks to this risky but funny way of marketing, Opel managed to raise their low Twitter engagement (GeeksChip, 2020).

Omnichannel customer experience

Omnichannel customer experience means being able to access product from many platforms such as company websites, social media, videos, mobile apps, google searches or by in-store experiences (Vishnoi, 2020). Consumers then have more possibilities to interact with the products before making the actual purchase and it has been proved beneficial for the business as those customers, who interact with the products through many platforms, also usually spend more (Business Insider, 2017). It is important, that the platforms stay connected between each other so that the consumer can easily switch between them and continue reviewing information about the product and its availability or make the actual purchase on through different platforms (Vishnoi, 2020).

An example of omnichannel in the automotive industry could be seen in the United Kingdom, where a platform called “Rockar” sells cars online and in stores placed in the shopping centers. When visiting such store, customers are able to have a look at the few exposed models, but most importantly they are able to make a purchase of the vehicle they demand in the store through the Rockar website platform while being assisted by the staff (Clark, 2020). Another example is Tesla, which success could be partly addressed to the omnichannel customer experience as well. Tesla’s showrooms usually include only 1-3 exemplary models which serve as a presentation to the consumers and unlike in classical car dealerships are not meant for sale. The vehicles are purchased completely online through the Tesla website, where the customers can select all the required features making their vehicle fully custom built unlike when choosing from already manufactured models in the traditional dealership. The only visit Tesla customer has to make is to pick up the car when being delivered to the nearest dealership making the purchase process far more customer experienced than most of the competition (Axia, 2021; Tesla, 2021).

A study made by the Autotrader examined, that 54 % of the consumers would purchase a vehicle from a dealership with their preferred experience even at the cost of higher price. Moreover, 72 % of consumers would visit the car dealership more often if the purchase experience was better. Another study by DrivingSales indicates that vast majority of consumers expect a vehicle purchase process to be an inconvenience. 56 % of the customers would buy cars more often if the process of adopting a new car would be easier and that the sales could rise about 25 % when improved customer experience (Kaemingk, 2018; V12data, 2020).

Accenture's survey from 2015 including 10 000 respondents from various countries found, that 80 % of consumers considering a new vehicle purchase are using digital technologies to find information and compare their possibilities. 62 % of the respondents answered, that some stages regarding the vehicle selection process including social media consulting are made online before even visiting a dealership and 75 % replied, that if possible, they would even consider making the entire vehicle purchase process online. Some interesting customer preferences for dealerships such as interactive touch display with information about available models in the showroom (53 %) and virtual test drive in the dealership (48 %) were discovered during this survey. (Accenture, 2015).

The omnichannel customer experience can be also valuable tool in customer support. Once a customer needs help, information about the issue is shared between the channels and could be resolved at any platform the customer prefers. On top of that, customers are also going to be more likely to recommend the brand to others when satisfied with the omnichannel experience which might bring in new customers to the business (Vishnoi, 2020).

Tesla's customer experience

Even though Tesla targets slightly different customer segments, its approach to customers could be used as an illustrative example. One of the Tesla's goals from the beginning, beside many others, was to create a unique customer experience. Unlike the traditional way of selling cars through independent dealerships, Tesla decided to sell their own cars only directly leaving the customers no other way than a direct purchase from their website. This way, Tesla maintains control not only over the sales, but also about the united image of the brand and presentation of their product portfolio (Morgan, 2019). Their showrooms are unified, minimalistic and provide some unusually interesting features to visitors such as free international calls, coffee bars or free internet. The showrooms employees are than communicating the Tesla's vision for electromobility and emission free mobility while presenting their products no matter if the visitors are willing to purchase one of their vehicles or not (Kaemingk, 2018).

Once a customer is willing to purchase a Tesla vehicle, they can do so in a Tesla's showroom digital design center with a guidance of staff or on the Tesla website from the comfort of their home. The vehicle is fully customizable unlike the price and since the order, the customer is connected with a delivery team which is guiding the customer with all the requirements such as the payments, documents and car delivery. After the car delivery, Tesla claims that 80 % of all repairs their vehicle needs could be done wirelessly. The software updates are done also distantly overnight, which leaves the customer without any unnecessary worries and make the customer experience unlike any other (Kaemingk, 2018). Tesla also builds a huge network of charging stations all over the world in order to ease its customers to charge their vehicles on the go. Such after sales activities from Tesla are also contributing to rich customer experience (Morgan, 2019). This could be backed up by the annual Consumer Reports Owner Satisfaction Survey that puts Tesla on the first place of all automotive brands with a 90 % of customer satisfaction (Hanley, 2017; Morgan 2019).

A customer experience review by Paula Tompkins states, that other automotive companies could learn from Tesla in many areas. First of them is the pressure-free and proactive customer contact. The customer describes the easy way of applying for a test drive on Tesla website and also the willingness of the employees (on the chat, over the phone or in the showroom) to answer all the questions without any sales pressure as customers don’t want to feel pressured in the decision-making process. According to Tomkins, another reason for Tesla’s good customer experience is a possibility of self-service source of information. Right after a test drive, participants receive an email with a link where they can find out more about the vehicle and configure one themselves with the price tag. This way Tesla provides a quick and simple information, which saves customers time.

Third reason is contained in transparent and easy online financing options. When ordering a car in conventional car dealership, long waiting times and loads of paperwork does not add up on positive experience. Tesla uses an online self-service finance options which allow the customer for a quick process without any pressure. Such easy and quick purchase process can be compared to placing an order on Amazon.

Last reason Tomkins provided was Tesla’s focus on customer instead of the product. When customizing a vehicle, customers are connected with an owner advisor, whose role is to build customer relationships, educates the customers with an electric vehicle and presents the benefits that match the needs of the customers. Owner advisor is asking about customers driving habits on which basis recommends the optional features on the vehicle. After placing an order, customer receives series of information including the possibility of 5 days to modify the order, reminder of a need to install electrical set up in the garage and later an information about vehicle going to production. Delivery experience person takes over and provides multiple delivery options regarding place and time. When picking up the vehicle, customers are introduced with the car and its treatment, given branded gift bag with Tesla accessories and encouraged to name their vehicle. Such process surely make an impression on customers and make them feel special and appreciated (Tompkins, 2016).

Auto moto shows

One of the brand building platforms in the automotive industry are the international auto shows. To the most internationally famous, publicly and media followed events belong the Geneva Motor Show, Frankfurt Motor Show, Detroit Auto Show, the Paris Motor show and Auto China that are taking place annually. These events offer car companies a unique chance to make themselves visible and impress the consumers on a global scale (Forbes, 2013; Narui, 2013).

The reasons why the international auto moto shows should be in high interest of car companies are following: First, the auto moto shows are attracting attention and bring together hundreds of thousands of consumers and car fans at one place for a short period of time (Narui, 2013). These events are creating memorable, rich and unique experiences in consumers' minds (Forbes, 2013; Kaydo, 2013). On top of that, all the events are followed by a huge number of international journalists making the event far more reachable than the actual event audience (Kaydo, 2013; Leblanc, 2013).

Moreover, the car companies can utilize not only the event itself, but also the phases around – meaning the pre- and post-event phase. The companies could use their presence on the show to create content a tease the consumers about their future presence on the show. Announcements about revealing new models on the show, introducing brand new technologies or sleek design changes could be used in order to keep consumers uptight about what the company is about to bring at the stage. The companies could also benefit from the post-phase of the event by for example increasing their publicity about well-presented models, technologies or any positive associations connected to the brand presence on the show. It can be also utilized to boost sales promotion in response to the past event (Tafesse & Korneliussen, 2014).

Participation on international trade shows have been acknowledged by many studies as a core function of corporate brand building (Hansen, 2004). The research made by Tafesse and Korneliussen showed, that the 4 researched companies present on the Auto

Show in Geneva focused on either their brand image reinforcement or brand image renewal. The purpose of brand image reinforcement was to support and increase the awareness of the present brand image and was based on well-known brand messages, associations and a reminder of their product line-up. On the other hand, the brand image renewal approach, was focused on changing the present brand image for a new one and was based on new brand messages, associations and possible new products or features that the companies were willing to be identified with (Tafesse & Korneliussen, 2014).

Tafesse and Korneliussen also examined, how the car companies use their stands as involve consumers in both functional and emotional level. The companies used strategies such as unrestricted access to displayed cars, presence of specialized stand representatives, stimulating stand designs by attractive display platforms, huge screens, touch screens, dynamic lighting and sound systems and more just to attract all consumers’ senses (sight, touch, sound and smell). Since the international auto shows are highly competitive events, it is really important to choose the right approach towards the presence and stand out next to the competitors in order to get the visibility on the event to attract the consumers and journalists for the further benefits (Tafesse & Korneliussen, 2014).

AR and VR technology

Trends such as Augmented or Virtual Reality provide a new kind of experience to the customers and could be well utilized in the automotive industry. Either as a car manufacturer, certified dealer or used-car dealer, AR and VR technology can be utilized to introduce the customers with their product range, showcase its possible modifications in case of customizing a new vehicle and enable them to experience their first meeting with the vehicle from the comfort of their home before even taking a test drive or making the actual purchase. Such feature could be appreciated especially during the pandemic when dealerships in many countries had to close (Clark, 2020).

Vroom, is a used-car dealership using such technology to present their available car models remotely to its customers. This experience is enabling the customers to "meet" the vehicle without them going to a dealership or a dealership bringing the car to them just for a demonstration purposes. In this case, VR serves as a simple solution for the customers to familiarize with the vehicle from the comfort of their own home (Clark, 2020).

3.2 Trends in automotive industry

The automotive industry has always been about innovation, technologies, comfort, sleek designs or driving performances. The increased rate of innovation due to alternative powertrains and connected vehicles is shifting the established 5 - 8year life cycles of car models to shorten. The total number of cars in Europe are expected to start decreasing (around 0,5% per annum), while continue to increase in the United States (+1,1% per annum) and China (+3,9% per annum) until 2035. Nowadays, the mobility is also increasingly affected by politics of world organizations/unions and countries regulations about exhaust gases and pollution and countries' own systems of providing subsidiaries for purchasing new vehicles. Gaining on importance are also the consumer needs, which may result in the future mobility being simpler and more adaptable to individuals (PwC, 2018). These are the trends that has been and will continue reshaping the automotive industry in the future:

Electromobility

Electromobility is probably the most discussed topic in the automotive industry during the past years. Almost all countries have experienced an increase in the interest and sales of new BEVs (Battery Electric Vehicles) and PHEVs (Plug-in Hybrid Electric Vehicles), which could be explained by many reasons such as the increased trust in the alternative powertrains, sustainable thinking of consumers, lower operating costs, immediate response and performance of electric vehicles, increasing drive range per charge, the autonomous driving possibilities, social status of keeping up with the latest technology or the state subsidiaries to support sales of environmentally friendlier BEVs and PHEVs

(Deloitte, 2021). Overall, the alternative powertrains are more popular with younger generations, while the older generations keen to stay loyal with traditional combustion engines (PwC, 2021).

However, the 2021 Global Automotive Consumer Study made by Deloitte discovered a huge change in this trend and registered a decrease in demand for electric vehicles or other alternative powertrains by dozens of percent in many countries. Deloitte explains this drawback by consumers looking for affordable, tried, and tested technology over the unknown in uncertain times of the pandemic. On top of that, the fear from lack of range, charging infrastructure and in some countries also safety concerns regarding the inextinguishable batteries remain among top concerns for consumers (Deloitte, 2021).

Most consumers who are willing to buy an EV (electric vehicle) are expecting to charge their vehicles at home, however, the importance of charging infrastructure remains high in eastern Asian countries (Deloitte, 2021). Despite the decrease of the interest among consumers during the uncertain times, further growth of the alternative powertrains could be expected after the pandemic is over. The lead in electromobility will be divided between the EU and China in the upcoming years, however, the rise of electromobility in the United States would be rapidly lower. By the year 2030, Europe and China are expected to account for 40-45 % of battery electric vehicles from the new car sales, while the BEVs in United States are forecasted to account only for about 9 % in the new vehicles sales by 2030. This could be explained by the tightening CO_2 emissions in the EU and the China's new national guidelines to accelerate BEV sales (PwC, 2021).

On top of that, optimalization of the cells and battery system should result in cost reduction of 25% by 2030, which account for about 80 % of the BEV powertrain cost. This would make the battery electric vehicle acquisition cost much closer to the traditional combustion engine powertrains (PwC, 2021).

Connected vehicles

The term connected vehicle contains two meanings – Car2Car communication (connection of a car with other cars) or Car2X communication (connection of a car with transport infrastructure such as traffic lights). However, it could be also taken as a communication between the car occupants and the outside world (PwC, 2018).

The need for connected vehicles varies a lot between the regions. In eastern Asian markets, the interest for the benefits of connected vehicles was quite high during the last years and even rose during the last year's survey (Deloitte, 2021). Consumers would be most interested about connected features that would save them time and money or increase their safety. Examples of such features are updates about the traffic jams, maintenance updates and forecasts, vehicle health reporting or access to the nearby parking with information about availability and price (Musat, 2020). On the other hand, western countries' already relatively low interest on connected vehicle benefits even slightly decreased. This could be addressed to the security concerns that are connected with consumers uncertainty about possible car hacking that could take their personal safety into risk. However, these concerns were recorded in both countries with low demands for connected vehicles and also in those, where the demand for such benefits remain high (Deloitte, 2021).

Even through high safety concerns of consumers, the willingness to pay extra for advanced connectivity allowing vehicles to communicate with each other and with the road infrastructure to improve safety remains low or none. The situation in China and India is on the other hand quite different, where more than half of the respondents would be willing to pay a reasonable amount for such features (Deloitte, 2020).

Autonomous vehicles

Many companies in the automotive industry are investing huge amounts into the autonomous driving technologies. Human errors are still accounting for more 90% of car accidents creating a real need for self-driving cars in the future. However, the reality is that yet imperfect systems of self-driving capabilities the companies offer may cause accidents as well. Even though the reports of autonomous driving accidents, few viral cases can cause a big fear in the society (Musat, 2020).

A research by Deloitte shows that around half of the population is still afraid of the autonomous driving technologies and this trend doesn’t seem to be disappearing any time soon. This could be addressed to the reason yet mentioned - imperfect autonomous driving technologies that the automotive companies possess (insufficient connection of sensors, smart data usage, 5G infrastructure etc.) as well as to the media reports about autonomous vehicles accidents (PwC, 2021; Deloitte, 2020).

A study made by PwC is from 2018, however, looking more forward and predicts, that the autonomous driving will dramatically reshape the automotive industry and expect 36-50 % of autonomous driving share in the overall traffic by 2030 depending on the region (PwC, 2018). This trend was later neglected by PwC in 2020 Automotive study which states that the autonomous driving in a big scale is going to be pushed away to around 2035 as the companies are going to focus on automatization of transport/fleet and logistics/industrial areas instead of automatization of passenger vehicles in order to recover investments after the pandemic (PwC, 2021).

Shared mobility

The forecast by PwC from 2018 is indicating, that the use of shared mobility should rise rapidly and in 2030 could account to 34-46 % of all passenger car transportation. The concept of shared mobility is convenient for a large part of the population as it can ease travelling to people who cannot afford their own car. Even though the shared mobility will have an impact on people’s personal average mileage driven and is forecasted to rise about 23 % by 2030, the trend of shared mobility will have also an impact on the amount of cars sold annually, which is predicted to decrease in the future. The reason for that is, that both sharing services and electrification are expected to increase the usage and the service life of vehicles (PwC, 2018).

Recent PwC study including the pandemic interventions, however, indicates that shared mobility's growth is slowing down as owning a vehicle regained on importance once again during the times of social distancing. Public transportation, car-sharing, shared-micro-mobility (bikes, scooters etc.) or use of uber/taxis has dramatically decreased all over the world. Regular cleaning and disinfecting of the means of transport, however, have shown to lure a large part of the population around the world to return back to the shared mobility. Despite the pandemic, shared active mobility (car sharing and car rentals) are going to be increasing in EU, while shared passive (ride hailing or robo-taxi) will continue to grow in China. The need to own a personal vehicle will remain the same in the United States. (PwC, 2021).

SUVs (Sport Utility Vehicles)

Although the SUV segment is still growing on sales, the year-to-year percentage increase is lowering down. On the other side, the increase of SUV range models the car companies are developing at the moment is going way faster and we can expect from the beginning of 2020 to the year 2025, there is going to be around 70 new SUV models. That means, despite the fact of growing SUV sales, that the competition in the SUV segment is going to increase rapidly over the few following years (Libby, 2019).

Brand and model loyalty

Brand loyalty in the automotive industry has been lately at its historic maximum accounting to more than half of the consumers (54 %) and model loyalty to around its half (27 %). The car sales reached the maximum amount of sold vehicles and the only way of increasing company's sales is through "stealing" from the competitors attributing brand loyalty a real big importance. That provides a challenge and at the same time opportunity for car brands marketers to both keep their loyal customer base as well as a possibility to approach the customers of their competition (Libby, 2019).

Other advanced car features preferred by consumers

Generally, safety features continue to be the most important elements when it comes to next vehicle purchase for consumers. Specifically, consumers are interested in “blind spot warning/alert”, “automatic emergency braking” or “lane departure warning”, which were situated in top 3 consumer preferences. Next wanted features in descending order represent “built-in navigation system”, “physical buttons for controls” “360-degree camera system”, “automatic/dual-zone climate control”, “heated/cooled seats”, “adaptive cruise control”, “electronic parking assist”, “built-in Wi-Fi hotspot”, “over-the-air software updates”, “Apple CarPlay/Android Auto interface” and “Semi-autonomous drive mode” (Deloitte, 2021).

Consumers’ willingness to pay for connected services remains lower than the OEMs (Original equipment manufacturers) would hope for (PwC, 2021). When it comes to the question, what features consumers would be willing to pay extra for, alternative engine solutions would be placed first, autonomous driving possibilities second, safety features would be placed third, connectivity fourth and better infotainment system fifth (Deloitte, 2021).

Other trends

Due to the pandemic, a significant amount of consumers decided to alter (speed up or postpone) the timeline of their next vehicle purchase. However, this trend varies a lot between individual regions. Namely in India, China and Republic of Korea the change in the consumer behavior was recorded the highest. These countries therefore face the highest risk of demand downside in the automotive market in the near future. Alongside with the expected demand downside in the close future, COVID-19 also affected the type of the vehicle consumers are willing to acquire. The change points towards buying a less expensive vehicle than prior consumers’ expectations and these changes were recorded especially in India and China (Deloitte, 2021).

Fully virtual sales of the vehicles are rising on popularity and some automotive companies like Tesla are already having the virtual sales as the only option of obtaining their vehicle (Tesla, 2021). The future outlook shows, that online sales certainly would be more usual in the future, however, most of the people still appreciate the in-person experience. Main reasons to prefer the virtual way of purchasing the vehicle are according to consumers the convenience, ease of use and speedup of the purchase process. On the other hand, consumers want to see and test-drive the vehicle before buying one. On top of virtual purchase, virtual servicing (vehicle picked up from home or office when it needs service) is also rising in popularity, however, most consumers (except for consumers in China and India where the interest is quite high) are not willing to pay extra for it (Deloitte, 2021).

India, China and also Republic of Korea’s consumers interests are much larger from the rest of the researched countries in the area of subscription service, which would allow the consumers to swap different car models from the same brand (Deloitte, 2021; PwC, 2020).

Consumers across the globe are sharing the same feelings regarding the relationships they are establishing during their vehicle life cycle. The consumers feel most connected to the brand of the vehicle they own and the dealer where they bought the vehicle. A reasonable amount of connection is also related with the dealer, where customers service their vehicle (Deloitte, 2021).

Consumers’ opinions about new mobility models remain the same across the globe where most consumers opt for greater access to mass transit/public transportation in order to reduce traffic congestion and pollution. On the other hand, consumers’ willingness to use multiple modes of transportation during a single trip remains uncomfortable, especially in the United States or Germany (Deloitte, 2020).

When not willing to purchase the vehicle, there are various repaying possibilities of obtaining a vehicle in a different way (by loan, lease or subscription account) allowing users for some preferences of their choice. The consumers most appreciate the lowest rates for credit rating, convenience, easy pay process, access to loan payoff or the flexibility (e.g. early termination of the vehicle) (Deloitte, 2021).

3.3 ŠKODA's brand

3.3.1 About the company

ŠKODA, originally under the name of its two founders "Laurin & Klement" (L&K), was founded in 1895 making it one of the oldest car manufacturers in the world. The company, however, did not start in a car manufacturing business right away, but was assembling bikes at first. Their first product was a legendary bike called "Slavia". In 1898 the company started manufacturing motorized bicycles and in 1905, L&K produced their first automobile under the name of Voiturette. There were several models introduced under the L&K brand until 1925, when Laurin & Klement joined their forces with the Škoda Works in Pilsen and their vehicles newly featured a winged arrow logo. One year later at the international motor show in Prague, new vehicles were already introduced under the new name ŠKODA. Many years and production models passed by and in 1990, after a political regime change in 1989, ŠKODA started looking for a strong foreign partner to help the brand transfer into internationally competitive company. In 1991, ŠKODA joins VW, Audi and Seat as a fourth brand of the Volkswagen concern (ŠKODA Heritage, 2021).

Nowadays, ŠKODA has become strong, internationally successful company and one of the key players in the automotive industry. ŠKODA is present on more than 100 markets and extended its product portfolio to 10 model ranges – the ŠKODA CITIGO, FABIA, RAPID, SCALA, OCTAVIA, SUPERB, KAMIQ, KAROQ, KODIAQ and ENYAQ iV. In association with the Volkswagen Group, ŠKODA independently develops and produces cars, but also the car components such as engines or transmissions (Volkswagen AG, 2021).

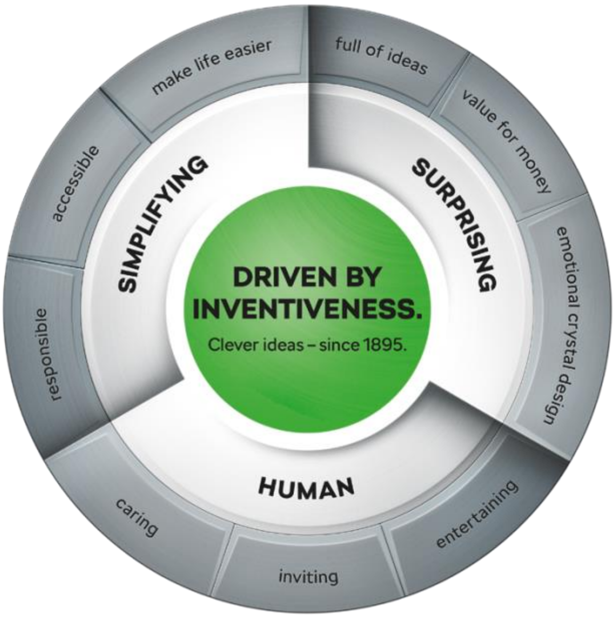
The company produced and delivered over million cars 7th year in a row in production plans all over the world. Except the three production plants found in Czech Republic, ŠKODA cars are being produced also in China, India, Russia, Ukraine, Kazakhstan, Algeria and Slovakia. In terms of worldwide sales, ŠKODA remains strong on the western European markets as well as in developing regions such as Central Europe and China (ŠKODA, 2021). In a statistic, that is measuring passenger car sales throughout the 27 European union members in august 2020, ŠKODA placed behind Volkswagen, Mercedes, Renault and Peugeot making it the 5th most sold car brand in the EU (Statista, 2021).

3.3.2 Brand basics

All the steps the company is making in relation to ŠKODA brand are derived from the brand core which is: “Driven by inventiveness. Clever ideas – since 1895.” This positioning is the initial point of every brand activity towards its customers and is going to be directing the brand further in the future (ŠKODA Brand, 2021).

Picture 1: ŠKODA brand - Driven by inventiveness (ŠKODA brand, 2021)

ŠKODA's global brand positioning is defined as an excellent "value for money" offering excessive spaciousness and functionality for product-value focused audience (Volkswagen AG, 2013). A so-called "brand wheel" is a scheme of ŠKODA's brand identity and is presenting ŠKODA brand values. They are, as the wheel suggests divided into 3 key brand values – simplifying, surprising and human. These three key values are, however, further developed into more brand values. ŠKODA is contributing to the world mobility with simple and surprising mobility solutions by delivering products and services making the lives of humans easier (ŠKODA Brand, 2021).



Picture 2: ŠKODA brand wheel/ŠKODA's brand identity (ŠKODA brand, 2021)

ŠKODA as an organization

Simplifying, as one of the key values, is covering following additional values: make life easier, accessible and responsible. ŠKODA is simplifying by providing clever solutions and thus making the lives of their customers easier. ŠKODA is simplifying by being easily accessible by being nearby, approachable, available, open, easy to understand, user-friendly and clear to its customers. Lastly, ŠKODA is simplifying by always being responsible, reliable, trustworthy, dependable and accountable (ŠKODA Brand, 2021).

ŠKODA as a product

Surprising, as the second key value, is covered by following additional values: full of ideas, value (for money), emotional (crystal) design. ŠKODA cars are surprising because they are full of unexpected clever ideas adding the car something extra. ŠKODA cars are surprising because they are offering “more for less” creating a bigger value and exceeding expectations of customers. Lastly, ŠKODA cars are surprising by the company’s approach to the product development creating a unique design language inspired by a long and rich Czech heritage – emotional, precise and authentic (ŠKODA Brand, 2021).

ŠKODA as a person

Human, as the last key value, is represented by following sub-values: entertaining, inviting and caring. ŠKODA’s personality is human as its communication is entertaining, enjoyable, amusing, charming, compelling and interesting. ŠKODA’s personality is human because its communication with customers is warm, friendly, inviting, amiable and engaging. Lastly, ŠKODA’s personality is human due to the care about their customers which they always put first and always act in helpful, thoughtful, considerate, gentle and sensitive way (ŠKODA Brand, 2021).

3.3.3 Brand design

The company utilized the richness of Czech heritage and the brand’s strongest assets together. Czech Cubism, Bohemian crystal and architecture were transformed into the brand car design. The essence of its all, the ŠKODA brand crystal, was inspired by the Czech flag, the digital play button, the “háček” (a special sign that can be found above some letters in the Czech alphabet) and is now the central element of the new corporate design (also called the DNA Crystal). Wings, arrow, and speed, all that completes an emotional and concise corporate design. Such car design language adding on sharpness, crystalline lighting graphics, precision and emotions was first introduced with the new ŠKODA Superb 3rd generation in 2015 and continue ever since (ŠKODA Brand, 2021).

3.3.4 Brand elements

The brand mark (brand logo) is probably the most recognized element of ŠKODA's brand. The logo is composed of an arrow, three wings, an eye and a circle. The arrow represents speed, the wings progress and freedom, the eye precision, and the circle unity, completeness, world and harmony. The standard version of the ŠKODA brand mark is composed of the picture mark with the word mark below. There are certain proportions and possible variations of the mark that have to be maintained and it is not possible to distort, crop or re-arrange the marks in any way (ŠKODA Brand, 2021).

Picture 3: ŠKODA brand mark (ŠKODA brand, 2021)

An essential part of the ŠKODA brand identity is also the brand claim "Simply clever". Such claim should be used in all advertising and presentation formats in order to communicate and maintain the central positioning of the ŠKODA brand (ŠKODA Brand, 2021). ŠKODA in its communication uses the "Kaleidoscope" layout concept with its key design element - "The Arrow Flag", representing the crystalline design approach that is also derived from the DNA Crystal. The Arrow Flag serve for communication and is always placed on a white background on the right-hand side of the format and the brand mark is placed in The Arrow Flag. Facet elements are another of the key design elements in the "Kaleidoscope" layout concept which also feature a crystalline design. "ŠKODA Next" is a corporate font, that uses combination of a geometric and humanistic design with crystal-inspired details. ŠKODA has also its 4 main corporate colors (specific shades of green, grey, black and white). The colors symbolize fresh, modern and energetic corporate design (ŠKODA Brand, 2021).

3.4 Previous studies related to consumers' perceptions of ŠKODA's brand

There are several studies examining the ŠKODA brand that has been assessed prior to this research. Most of the studies made are focused on the Czech market as the company attracts lot of attention locally and has a great influence on the domestic economy and employment. Moreover, the brand is known to everyone and its market share in Czech Republic accounts for more than one third of all new registered vehicles (ŠKODA Storyboard, 2021) giving appropriate reasons for further examinations of the brand. There are three studies with a closer correlation to this study, from which two are focused specifically on brand perceptions on the Czech market and one study on brand perceptions between Poland and the United Kingdom.

One of the studies is a study from Poláková (2017) made on the domestic market and is examining the brand equity components and brand identity of a brand using a combination of physical and online questionnaire. In terms of a target audience, this study chose a large width of a target group approaching all consumers above 18 years of age. The study further provides a SWOT analysis of the brand and suggestions on how to build brand of the company ŠKODA on the Czech market. In terms of brand awareness, ŠKODA ranked first among Czech consumers with a big lead followed by Volkswagen. Perceived quality of the ŠKODA brand was ranked as 4 out of 5 by most of the Czech consumers leaving a space for improvement (especially when quality was mentioned as most important aspect when purchasing a new vehicle).

Regarding customer satisfaction, for 52 % of consumers a purchased vehicle fully met the expectations and another 41,33 % rather fulfilled their expectations resulting in positive expectations of more than 93 %. In accordance with these results, 58 % of the respondents stated that they would certainly buy a ŠKODA branded car again and 30% of the respondents stated to consider buying again resulting in relatively high brand loyalty. Among the alternatives considered when choosing a different car brand, Ford was the most frequently mentioned alternative accounting for 21,66 %, however a satisfying amount of 19,12 % stated to not mention any other alternatives beside a ŠKODA vehicle.

Brand associations resulting from the questionnaire state that the production in Czech Republic despite the German ownership continue to play the biggest role for Czech consumers as most of the respondents described the brand in one word as “Czech” followed by “traditional”, “reliable” and “quality”. Many respondents associated the brand with relatively high price, which might represent some threats for the brand as price is the most important element influencing the purchase decision. Next, practicality of the vehicles was evaluated mostly with number one on scale 1 (best) to 5 (worst) and safety by number 2. Design and innovativeness were also evaluated mostly by number 2, however, same as price affordability, lot of respondents assigned also lower number to these associations. Quite surprising were the findings about the customer relationships, which were not associated by almost any of the respondents despite the company’s high commitment to customer relationships.

Last questions of the questionnaire were dedicated to brand identity. More than half of the respondents (52,67 %) were familiar with the “Simply clever” slogan and vast majority (86,67 %) of respondents were familiar with the company logo representing winged arrow symbolizing speed, progress and precision.

Another study by Příkopová (2013), is examining the brand perception on the domestic market as well. Among other investigated phenomena, this study focused on comparison of the brand attributes, brand classification and position between its competition (based on the available data) with a self-conducted online questionnaire. The author of this study, similarly as the first study mentioned, chose a large width of a target group approaching all consumers above 18 and below 65 years of age. Based on the self-conducted online questionnaire, the study brought the following results:

According to the results, the ŠKODA brand was the most often named top-of-mind car brand and nearly 80 % of the respondents stated ŠKODA among the first 3 brands. The consumers see the brand mostly as traditional, reliable, quality and safety brand, also the image of the brand is well perceived. Vast majority of the consumers perceive ŠKODA still as a Czech brand and only few consider ŠKODA German. Around 30% of the respondents own a ŠKODA, which also agree with the large market share of ŠKODA on the Czech market. Before making a purchase decision, Czech consumers are most interested in safety, performance, operating costs and price of the vehicle, however, the country of origin plays also a big role. Consumers most often rely on their own experience and the word of mouth of their acquittances. On the other hand, consumers state that they are least affected by the advertisements and retailers. Vast majority of the respondents, that are planning a vehicle purchase would include ŠKODA in their alternatives and those consumers who are not interested in the ŠKODA vehicles usually do not perceive the quality vs. price ratio well, are interested in another concrete specific brand, or also that there are too many ŠKODA vehicles on the Czech roads and people have a feeling that they are stolen more frequently (Příkopová, 2013).

The author compared the results of a survey with the way ŠKODA is presenting itself and concluded, that consumers do not consider ŠKODA as a good value for money as there are some alternatives for many people on the market, that are comparable with ŠKODA, but could be purchased at a cheaper price. Another difference the author stated is that quite many consumers do not consider ŠKODA a practical car that is making the owners' lives easier, even though the company present itself this way even with its slogan "Simply clever" (Příkopová, 2013).

However, there are some studies outside the Czech market as well. One of them is a study by Beneke & Rozum (2018), that is examining ŠKODA's brand perception across two different cultures: Poland and the United Kingdom. In terms of a target audience, similarly as the first two studies mentioned, Beneke & Rozum chose a large width of a target group approaching all consumers above 18 years of age. Brand characteristics like brand image, price, perceived quality, perceived value, trust, purchase intention, advertising or country of origin are researched. The study confirmed that the core brand image of ŠKODA brand was mainly positive in both researched markets. The price was found reasonable, affordable and appropriate and quality was favorably perceived by both Polish and UK consumers showing almost the same results across markets. Both Polish and UK consumers trust the ŠKODA brand, however, in Poland the brand had achieved a slightly greater trust.

Consumers from both markets agreed, that the brand provides a good value. Interest in owning a ŠKODA car was recorded greater in Poland which could be supported by the higher market share of ŠKODA in Poland. In neither of the markets however, ŠKODA would be chosen as a first choice. ŠKODA's advertising in both markets was perceived rather positively, however, respective elements of advertisements like humorous content for the audience engagement were missing. Lastly, all respondents had a positive opinion of the Czech Republic as a home of the brand, yet Polish respondents showed a bigger sympathy for their neighboring.

In conclusion, a significant difference was recorder between Poland and the UK in terms of brand image, where Polish respondents reported much greater values. On the other hand, no significant difference between Poland and UK was recorded in following aspects: price, perceived quality, perceived value, trust, purchase intentions, advertising and the country of origin.

3.5 Summary of the theory

The theory has been presented in two parts. A theory related generally to brands and branding and theory related to branding in relation to automotive industry. The first part presented individual brand equity assets (brand awareness, brand loyalty, perceived quality and brand associations) and brand identity model, that are going to be further researched for the purpose of finding consumers' brand perceptions across markets. Based on the theory, following hypothesis have been developed:

Table 2: Researched hypothesis

Phenomenon examined	**H1, H2, H3, H4, H5, H6, H7, H8, H9**
Brand awareness	There is a significant difference in ŠKODA's brand awareness between Czech Republic and Germany (H1a), Czech Republic and Finland (H1b) and Germany and Finland (H1c).
Brand loyalty	There is a significant difference in willingness of customers to buy ŠKODA again between Czech Republic and Germany (H2a), Czech Republic and Finland (H2b) and Germany and Finland (H2c).
Perceived quality	There is a significant difference in ŠKODA's perceived quality between Czech Republic and Germany (H3a), Czech Republic and Finland (H3b) and Germany and Finland (H3c).
Brand associations	There is a significant difference in ŠKODA's brand associations between Czech Republic and Germany (H4a), Czech Republic and Finland (H4b) and Germany and Finland (H4c).
Brand identity	There is a significant difference in respondents' awareness of ŠKODA's slogan between Czech Republic and Germany (H5a), Czech Republic and Finland (H5b) and Germany and Finland (H5c).
Perceived price	There is a significant difference in perceived price of ŠKODA between Czech Republic and Germany (H6a), Czech Republic and Finland (H6b) and Germany and Finland (H6c).

Purchase intentions	There is a significant difference in respondents' purchase intentions without ŠKODA experience between Czech Republic and Germany (H7a), Czech Republic and Finland (H7b) and Germany and Finland (H7c).
Perceived value	There is a significant difference in perceived value of ŠKODA between Czech Republic and Germany (H8a), Czech Republic and Finland (H8b) and Germany and Finland (H8c).
Country of origin	There is a significant difference in change of perception towards ŠKODA after providing respondents with information about German ownership of the brand between Czech Republic and Germany (H9a), Czech Republic and Finland (H9b) and Germany and Finland (H9c).

The second part provided information about the branding benchmarks that are being practiced by other companies in the automotive industry or being required by the consumers. Grow of social media branding, necessity of omnichannel customer experience, an example of Tesla's customer experience, an importance and reach of good self-presentation at the international auto moto shows and advantages of use of AR and VR technologies were presented.

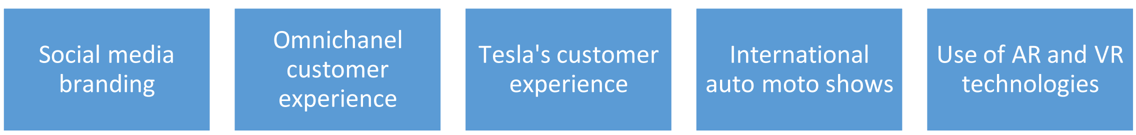


Figure 7: Branding benchmarks in the automotive industry (Own interpretation based on branding benchmarks)

Next, the latest trends and forecasts for the automotive industry were provided. It is the undisputable rise of electromobility, growing demands on connectivity of vehicles, autonomous driving, or shared mobility. Despite the SUV popularity increase, a huge increase of competition could be expected in the individual SUV segments the near future as well as the growing importance of brand and model loyalty of consumers. A more long-term decrease of sales could be expected due to COVID-19 pandemic. Virtual sales as well as virtual servicing (home vehicle pick-up for service) are gaining on popularity. In some countries, subscription services (allowing consumers to swap different car models from the same brand depending on their needs) are noticing great interest of consumers. Relationships between consumers and brands/dealers are becoming stronger and different ways of financing a vehicle instead of its purchase are increasing on popularity.

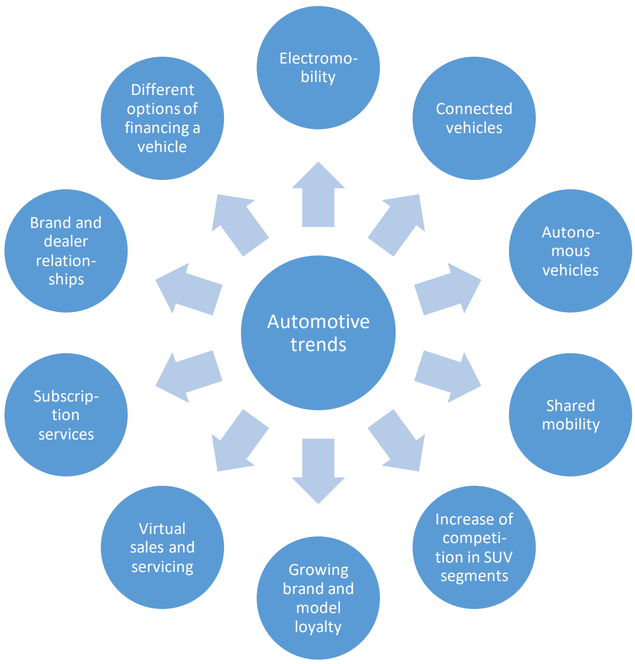


Figure 8: Automotive trends (Own interpretation based on automotive trends)

4 Research Methodology

In the research methodology chapter, chosen research approaches for this master's thesis are going to be stated and explained. Secondly, data collection method and sample are going to be presented. Next, data analysis chapter follows. Lastly, the data credibility of this study is justified with chapters data reliability and data validity.

4.1 Research approach

There are several theories related to research approach such as the research philosophy, approach to theory development, methodological choice or the strategy that are going to be discussed in this subchapter.

There are 5 main philosophies in businesses research: positivism, interpretivism, critical realism, postmodernism and pragmatism. The research philosophies interpret, how the data are collected and evaluated. The research philosophy used in this master's thesis is positivism as it relates to working with an observable social reality and promises accurate and unambiguous knowledge. The basis of positivism refers to *"what is 'posited' is 'given'"* (Saunders et al., 2016, p.136). This is highlighted by the positivist strict method of pure data and facts acquisition without any influence, human interpretation or bias. Positivists are believed to be external to data collection process as little can be done to influence the results of the research (Business Research Methodology, 2021; Saunders et al., 2016).

The exemplary case of a positivism research is an internet questionnaire (that is also used in this study), in which the researcher prepares the questions and possible answers beforehand and the respondents select the answers by themselves. Researcher does not come into contact with respondents unlike e.g. during the in-depth interview, where the researcher ask questions and interpret their answers individually, which could influence the final results. Positivist researchers usually use high-structured methodology and search for quantifiable observations that are suitable for statistical analysis. However, positivist-based research can also be used for qualitative data collection (Business Research Methodology, 2021; Saunders et al., 2016).

There are three approaches towards the theory development – inductive, deductive and a combination of both – abductive. The research approach in this master's thesis uses deductive approach to compare or confirm existing theory about building brand. It is the deductive approach that is usually used during the quantitative studies, however, an inductive approach can occur and be used in quantitative research too (Saunders et al., 2016; Streefkerk, 2019).

In terms of methodological choices, the data can be researched in two ways, by conducting a quantitative or a qualitative research. A quantitative research uses numerical data that are having very little to no informative value without any explanation and therefore need to be further placed into context. The quantitative analysis uses various outputs such as statistics and charts that help to explain the relationships and trends within the researched data. Qualitative research can, on the other hand, provide a deeper understanding of the topic and is characterized by the data fullness and richness. The qualitative research is rather based on words than numerical data and its purpose is to understand the issue at a deeper level (Saunders et al., 2016).

This study is going to focus on 4 key measures (brand awareness, brand loyalty, perceived quality and brand associations) forming a substantial part of brand's value together with other brand characteristics such as perceived price, purchase intentions, perceived value or country of origin and its values on three different markets. In order to find out more accurate perceptions of consumers, a larger sample of the target population should be collected. Given the fact, that a larger sample of data is needed in order to find out consumer perceptions, motives, attitudes and beliefs and that most of the values examined are measurable and possible to transform into statistics and graphs, a quantitative study suits this research best (Chrysochou, 2017). Survey was chosen as a research method for this study and is going to be represented by an online self-conducted questionnaire, that is going to be filled out by the respondents in all of the examined countries (Saunders et al., 2016). The questionnaire is going to be focused on the perception of the brand ŠKODA on different markets, influence of various variables and relationship of the brand to other's similarly positioned concern brands in consumers' minds. The questionnaire is also going to focus on respondents' perceptions in comparison to ŠKODA's official global branding – official global brand identity versus the people's perception.

4.2 Data collection and sample

In this chapter, first reasons behind selection of the case company and research samples are presented. Later, presentation of the concrete samples is shown.

4.2.1 Selection of the sample

Since this study focuses on differences in brand equity and other brand characteristics of ŠKODA on three different European markets, samples from all researched countries (Czech Republic, Germany and Finland) will be contained. All the countries chosen for the research have their justification in the selection process. Also, the current product portfolio (ŠKODA Fabia, Scala, Octavia, Superb, Kamiq, Karoq, Kodiaq and Enyaq) is identical on all mentioned markets making it more suitable to compare. ŠKODA is the biggest employer and undeniably most known company in the Czech Republic to both domestic or foreign citizens. Even though the company has a long tradition connected to Czech Republic and its history began in 1895 right there, the company is now since 1994 owned by German Volkswagen Group.

Czech Republic was chosen because of ŠKODA's origin of the brand. ŠKODA has a long tradition in Czech and many people might see or feel about the brand differently as they could have developed a relationship to a domestic brand over the years. ŠKODA cars are dominating Czech roads as of the new vehicle sales in 2020, ŠKODA accounted for 36,9 % market share (ŠKODA Storyboard, 2021). ŠKODA AUTO is also the biggest employer in the Czech Republic and their activities are mediating jobs for even more, external people, which might influence the brand equity as well (ŠKODA Storyboard, 2021).

The second chosen country is Germany as it is the new home of the company since the 90's when the company got acquired by the VW Group. Even though it is now under their possession, majority of the company including production, marketing and sales, IT department or part of R&D still remains in Czech. Therefore, it would be interesting to see whether Germans feel like it is their domestic brand or if they consider ŠKODA still a Czech origin and therefore a Czech quality brand. According to the new passenger car registrations, ŠKODA is the 6^{th} most popular car brand (behind VW, Mercedes, BMW, Audi and Ford) in Germany in 2020 accounting for 6,2 % German passenger car market share (Statista, 2021).

Lastly, Finland has been included in the researched countries thanks to its strong brand presence on the Finnish market, which might make finding the reasons behind interesting. In 2019, ŠKODA ranked third in the number of new vehicle registrations with a market share of 10 % behind Toyota and Volkswagen (Statista, 2020) and its sales showed a growing trend with small fluctuations within the past decade (Statista, 2020). In January 2021, ŠKODA's most selling model Octavia raised over 44 % in sales making Octavia the most sold vehicle model in Finland (Lehti Kauppalehti, 2021). In addition, this research study is being developed and submitted on a Finnish educational institution, including Finland to the researched markets might have some added value.

The target audience set for this research is the "Generation Z", which accounts for population born between 1996 and 2012 (9-25 years old), however, only the upper half of the Generation Z is going to be considered in order to perform a meaningful research. A bottom-line age of 18 is going to be set, which in most countries of the world (also in all the countries examined) accounts for the age limit of getting an unrestricted driver's license (European Union, 2021; Project Gutenberg, 2021). The final target group for this study is therefore going to be between 18 and 25 years of age.

The Generation Z has been chosen because of its future importance as soon it will surpass "Millennials" and will account for the most populous generation on earth. The Generation Z is characterized as tech-dependent, prioritizing new adventures over buying things and being less loyal to brands. It is also the first generation that inclines to digital communications over the physical interactions, the Gen Z consumers are harder to reach due to their "eight second attention span" and are seeking authenticity in brands (Deloitte, 2021).

Another reason for choosing this target group is, that the population of Generation Z is increasing its share on the roads by every year and as an always-connected generation, their lifestyle is changing the demands and customer preferences for vehicles as well. It is the in-vehicle technology like Wi-Fi, wireless charging, smartphone connectivity or Bluetooth this generation desires from a vehicle and despite the reputation of ride-sharing fans, 92 % of those above 18 years of age own or plan to own a vehicle in the future (Ford Media Center, 2018). Author's intension is to obtain answers as diverse as possible from both genders and also the age distribution inside the target group. Similar samples from both genders, age groups should be also harmonized between the researched markets.

4.2.2 Presentation of the sample

The goal of an online questionnaire was to collect at least 50 respondents from each market inside the specific target group in order present meaningful insights. This goal has been met by all of the researched markets with similar amounts of the final respondents. Specifically, there were 64 respondents from the Czech Republic, 68 from Germany and 53 from Finland. All responses were collected during a three-day window from 26.04.2021 to 28.04.2021 in order to ensure the unity of the research and same conditions for all respondents without being affected by external occasional events.

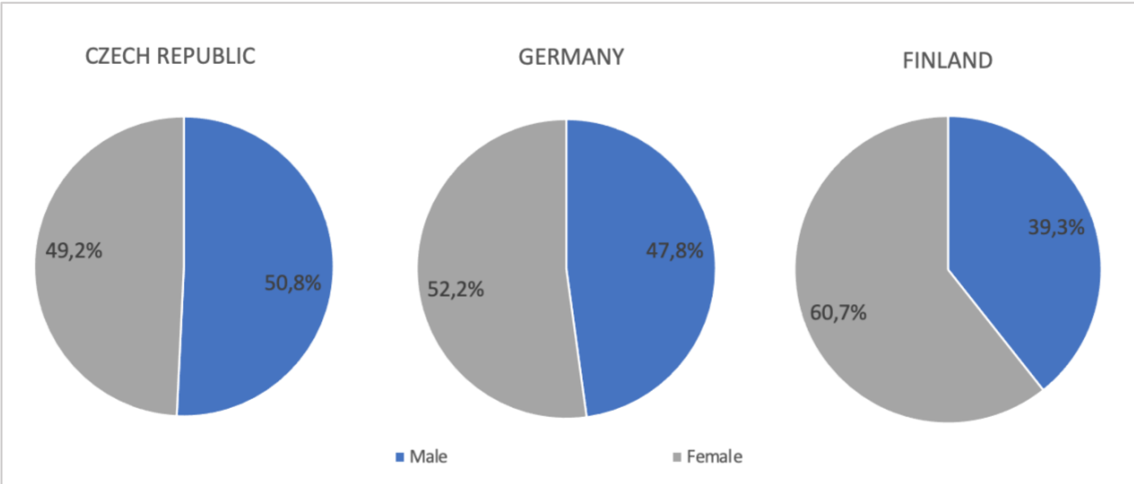


Figure 9: Gender of respondents

Both genders were included in the research in all countries. The gender composition of Czech and German respondents was very balanced, however, in Finland, females slightly prevailed.

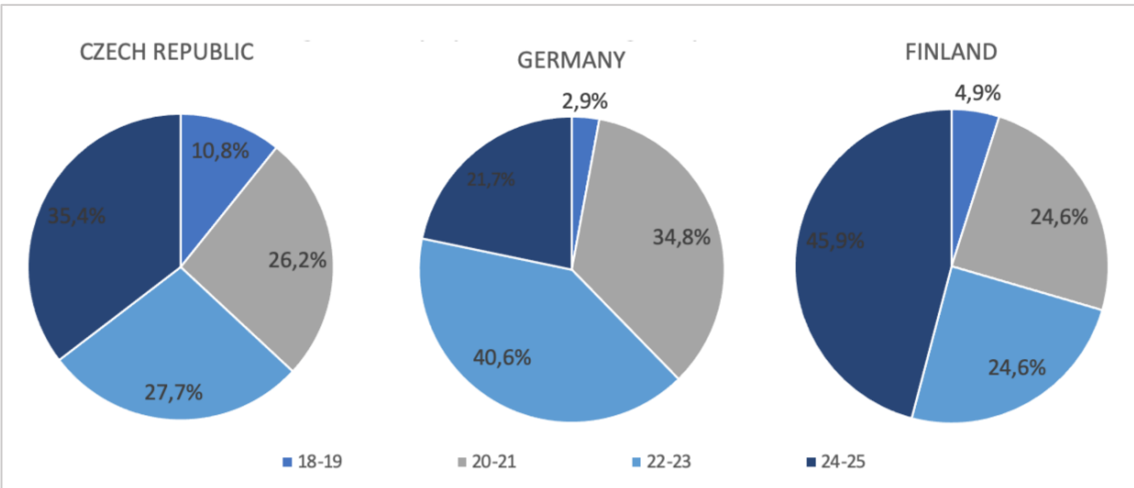


Figure 10: Distribution between age groups

In terms of age groups, even though the target group was set only between ages 18-25, which is narrowing the research quite enough, representatives of all subgroups were present on all markets during the research.

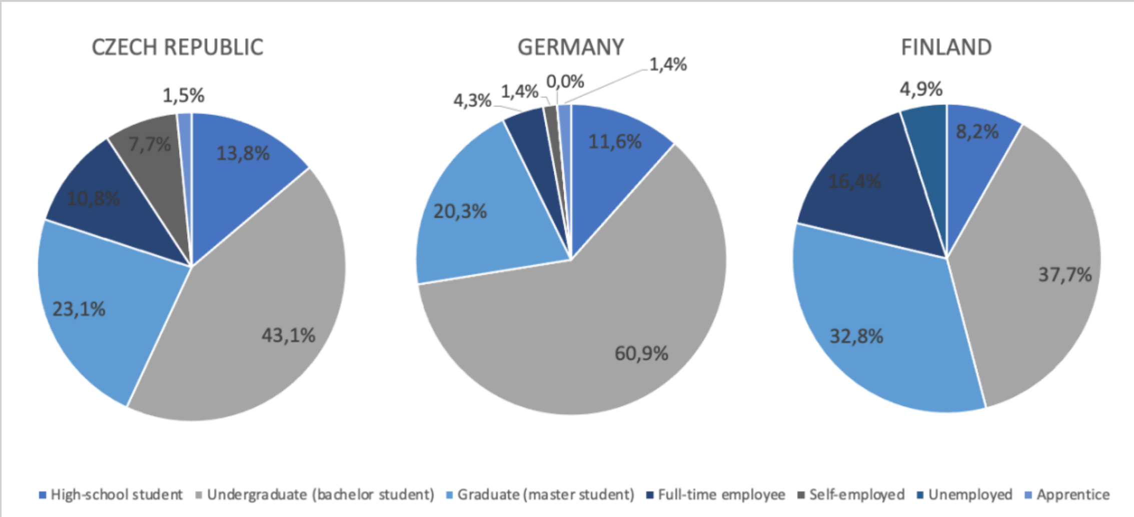


Figure 11: Status of respondents

Respondents were further asked about their status. Even though the target group is quite niche, respondents were quite diverse between the individual status groups as well. In order to prevent distorted results, respondents were further asked about their ongoing or past experience in automotive marketing department. In case respondents had an experience in such field, they were not provided access to answer the questions related to either automotive or brand sections as their work experience could affect the results which might not reflect the genuine consumers' brand perceptions on the market due to the relatively small sample. There were 11 respondents from the Czech Republic, 5 respondents from Germany and 2 from Finland that were excluded from the research based on their automotive marketing experiences. The reason for numerous exclusions in especially Czech Republic and Germany could be justified by a great involvement of both countries in the automotive industry.

Table 3: Number of respondents across markets admitted to research

Nationality	Number of respondents
Czech Republic	54
Germany	64
Finland	59

The final amount of respondents admitted to the research could be seen in the table above. There are 54 respondents from Czech Republic, 64 respondents from Germany and 59 from Finland answering questions regarding the automotive and brand research.

4.3 Data analysis

Data analysis chapter is devoted to the evaluation of the gathered data and the phenomenon being the subject of the study. As this is a quantitative study using a survey as a mean of obtaining the answers from respondents, many instruments could be used to achieve this goal. Taking into account the nature of the quantitative research, the digital capabilities of the young target group, international aspect of the research and the current world situation related to COVID-19 pandemic, an online questionnaire fits the circumstances certainly the most. Specifically, an online form of questionnaire by Google (Google Forms) has been chosen for this research.

The data will be compared primarily on the basis of the nationality of the respondents, however, also comparison between genders, respondents with and without ŠKODA experience and common values and perceptions across markets will be measured. The hypothesis set in the previous chapter are going to be statistically tested in order to confirm or reject their significance. The testing is going to be based on Chi-square tests for Independence and the Kruskal-Wallis test. Results are always measured just between two individual countries at the same time as measuring the differences between all three countries with one measurement would not have such informative value. Specifically, Microsoft Excel with free add-in software tool Real stats has been chosen for the statistical testing.

4.4 Data reliability and validity

In this chapter, the theory of data reliability and validity of the thesis are going to be defined. Reliability and validity are used as an evaluation tool for the: quality of a particular research in natural and quantitative research in social sciences (Saunders et al., 2016).

4.4.1 Data reliability

In order to better understand the issue, the official theory of data reliability according to Saunders et al. is following: "*The extent to which data collection technique or techniques will yield consistent findings, similar observations would be made or conclusions reached by other researchers or there is transparency in how sense was made from the raw data*" (Saunders et al., 2016, p. 726).

In other words, it is the replication and consistency that are defying reliability. If a research is able to be replicated by another researcher under the same as original conditions and the results would be the same, a research can be considered reliable (Middleton, 2019; Saunders et al., 2016).

The reliability has to be met by both counterparts, the researcher and the participant. The participant answers can be influenced by either changing the way participant performs (e.g. by putting the participant in a time pressure) or by circumstances compelling a false statement (e.g. by non-provision of sufficient anonymity). On the other hand, the researcher can influence the research be either altering the interpretation (e.g. by the condition of the researcher such as tiredness or unpreparedness which can cause misunderstanding) or by researcher's bias in the data collection process (e.g. example by researcher's personality or misinterpretation of the answers) (Middleton, 2019; Saunders et al., 2016).

Regarding this particular research, given the fact that the questionnaires are being conducted online, the respondents are given the choice of time to start the questionnaire, an unlimited time to complete and absolute anonymity, which might ensure a reliable research from the participants' side. The fact that the questionnaire has been developed in English for all countries examined and that none of the countries has English as its official language is making the conditions identical for all respondents. Consumers were notified about the target group of the survey when being contacted and one more time before the start of the questionnaire to prevent respondents outside the set target group.

Also, possible respondents with experiences in automotive marketing have been excluded from the research findings as their perceptions might influence the reliability of the results in relatively small samples. From the view of the researcher, the questions are prepared beforehand and are identical to every respondent in form of an online questionnaire. The answers are than formed into statistical findings providing the author with anonymous results and therefore can ensure the reliability of the research from the researcher.

4.4.2 Data validity

In order to better understand the issue, the official theory of data validity according to Saunders et al. is following: "*The extent to which data collection method or methods accurately measure what they were intended to measure*." (Saunders, et al., 2016, p. 730).

In other words, it is the appropriateness of the measures used, accuracy of the analysis of the results and generalizability of the findings that are defying validity. The validity examines whether the used measures in the study actually measure what they are supposed to, whether the results and relationships in the study are accurate and whether the results of the research could be generalized to other cases as well (Middleton, 2019; Saunders et al., 2016).

There are various threats that could affect the validity of the data. It could be the past events (e.g. recalling products for modifications), testing (e.g. participants being under performance surveillance), instrumentation (e.g. by changing the research mechanism between the stages of a research), mortality (e.g. by the disappearance or change of research participants when doing a long-term research), maturation (e.g. internal change of participants' minds/attitudes during the research) or ambiguity about casual direction (e.g. by uncertainty about causes or effects of particular facts) (Middleton, 2019; Saunders et al., 2016).

Regarding this particular study, no scandals or significant actions has been executed by the researched case company during the time of the questionnaires. Respondents were not under any external surveillance or pressure during their answers. The research mechanisms remained the same during the whole time of the research. Mortality and maturation do not play a role in this research since incomplete answers would not be counted as well as the change of the consumers' minds or attitude is very unlikely during a really short online questionnaire (Chrysochou, 2017).

The threat of uncertainty about causes or effects of individual phenomena might occur during this research as consumers' perceptions could always be represented by individual causes that might not be discovered during the research and qualitative research would fit the understanding of the causes better. To ensure valid findings, individual hypotheses are statistically tested to support or reject individual hypothesis. The research questions are written in unprofessional and comprehensive language in order to prevent the threat of misunderstanding as much as possible. In addition, a pre-testing of the questionnaire has been executed in order to prevent any potential inconveniences or defects possibly connected with wording, the sequence or format of the questions (Chrysochou, 2017).

5 Findings

In this chapter, findings of the research based on the conducted questionnaires are presented. First, the similarities and differences of ŠKODA brand perceptions between examined markets will be analyzed. Secondly, common findings for all markets and some findings based on gender distribution will be offered.

5.1 Research between individual markets

This chapter includes the similarities and differences of ŠKODA brand perceptions between examined markets. Individual subchapters are divided based on the phenomena examined such as brand awareness, brand loyalty, perceived quality, brand associations, brand identity, perceived price, purchase intention, perceived value and country of origin will be analyzed.

5.1.1 Brand awareness

In order to properly determine the brand awareness of ŠKODA within respondents on different markets, brand recall must be examined first. ŠKODA was therefore not mentioned when sending or opening the questionnaire by the respondents. Brand recall was examined by asking the consumers for five automotive brands they could recall first without any hints provided to test whether ŠKODA would be included.

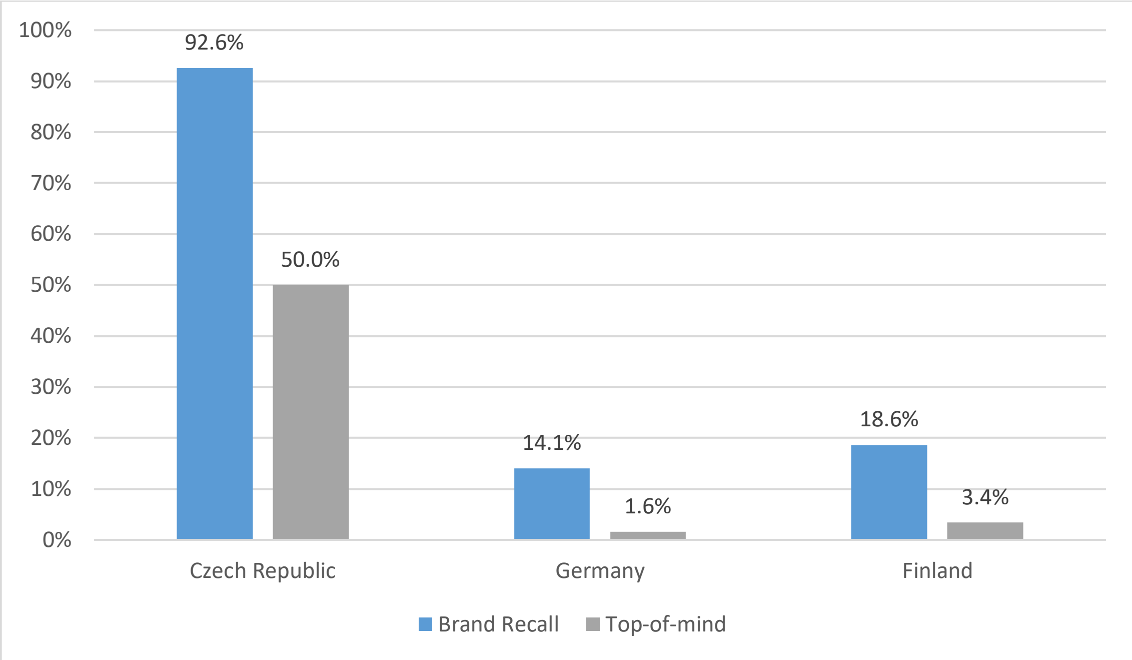


Figure 12: ŠKODA brand recall among respondents

The results were quite shocking. It could have been expected, that ŠKODA would take the first place given all the influence and market share it possess on the domestic market, however, the difference between Czech Republic and the other two examined countries was enormous. In Czech Republic, ŠKODA was recalled between top five automotive brands in 92,6 % of cases and exactly half of the cases (50 %), ŠKODA was recalled as top-of-mind (was recalled first). Surprisingly, second place does not belong to the new home of the brand, however, to Finland. In Finland, 18,6 % of respondents recalled ŠKODA between the top five automotive brands and two respondents (accounting for 3,4 %) named ŠKODA as a top-of-mind. Germany placed third with a recall of 14,1 % and only one respondent (accounting for 1,6 %) named ŠKODA first. The fact, that ŠKODA was recalled less in Germany than in Finland despite the German ownership of the brand could be addressed to the strong German automotive industry that is accounting many automotive brands such as Volkswagen, Audi, BMW, Mercedes, Porsche etc., while there are no automotive brands connected to Finland.

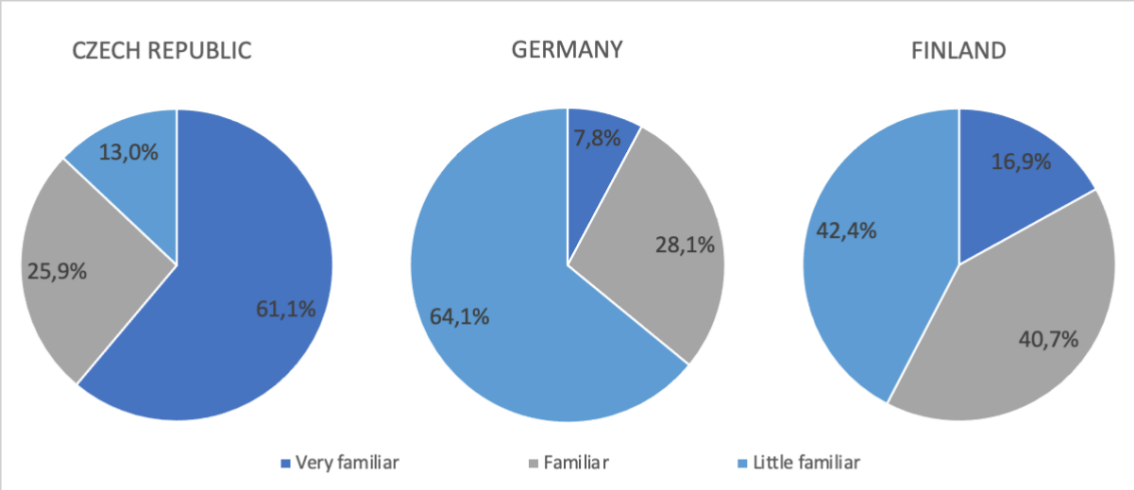


Figure 13: Awareness of respondents about ŠKODA

Later on, in the beginning of the brand section, respondents were asked about their familiarity with the ŠKODA brand in order to possibly eliminate the respondents that are unaware of the brand, however, all the respondents went through this selection as all were at least a bit familiar with ŠKODA. Aligned with the brand recall results, consumers were most familiar with ŠKODA in Czech Republic, where 87 % of respondents stated thy are very familiar or familiar with the brand. Finland placed second with 57,6 % of "very familiar" or "familiar" respondents and Germany last with 35,9 %.

Based on Chi-square test for Independence, there is a significant difference in ŠKODA's brand awareness between Czech Republic and Germany on the confidence level of 0,05 (χ 2 = 44,69, df = 2, p < 0,05). There is also a significant difference in ŠKODA's brand awareness between Czech Republic and Finland on the confidence level of 0,05 (χ 2 = 24,89, df = 2, p < 0,05). As well as in previous cases, there is a significant difference in ŠKODA's brand awareness between Germany and Finland on the confidence level of 0,05 (χ 2 = 6,21, df = 2, p < 0,05). Therefore, H1a, H1b and H1c are supported.

Next, based on the number of ŠKODA recalls and recognitions among respondents on different markets, ŠKODA was placed to the Aaker's Graveyard model earlier mentioned in the theory individually for each market.

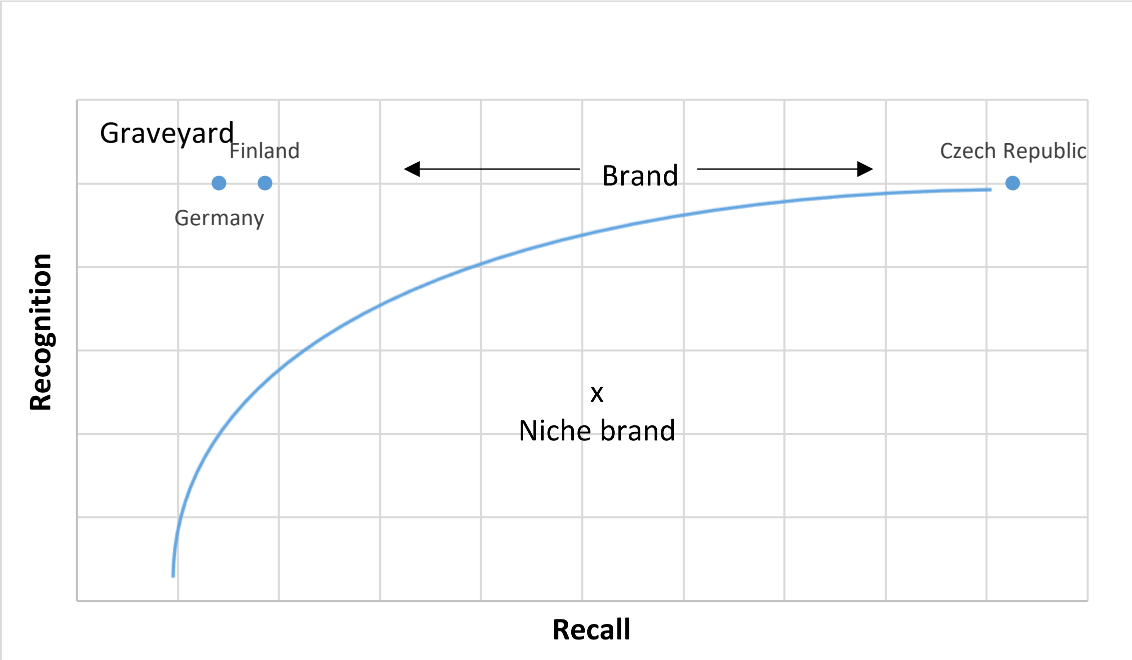


Figure 14: ŠKODA's position on researched markets in Aaker's Graveyard model

According to Aaker's Graveyard model, ŠKODA is located very differently among the three researched markets. The position of ŠKODA on the Czech market is very well placed according to this model as ŠKODA was recalled in 92,6 % of cases within the top 5 brands in the automotive industry which almost equals the brand recognition which was at 100 %. On the German and Finish market, however, the difference between the brand recall (within top 5) and brand recognition was large. Brand recognition on both markets was also recorded at 100 %, while the recall only at 14,1 % in Germany and 18,6 % in Finland placing the brand on both markets around the so-called "graveyard". Just to repeat what was said in the theory section, being in the graveyard can be deadly for a brand as even though the consumers know the brand, they would not recall it when considering a purchase within the specific product class.

On the other hand, some counterarguments must be presented as well. If we take the automotive industry into consideration, majority of consumers can recall much more brands than in any other product class (for example brands of pasta or cleaning detergents), which makes it hard for the brand to be recalled within the top 5 brands. Secondly, the automotive industry belongs to one of the most competitive industries leaving consumers with countless options within each vehicle class. Also, purchasing a vehicle is unlike many other purchases and its process is usually longer and involves market research, which can remind the consumers of a brand and the brand might be later classified among purchasing options. Lastly, consumers quite often recall luxurious and sporty car brands which might be of their interest, however, for most would not represent a real purchase option.

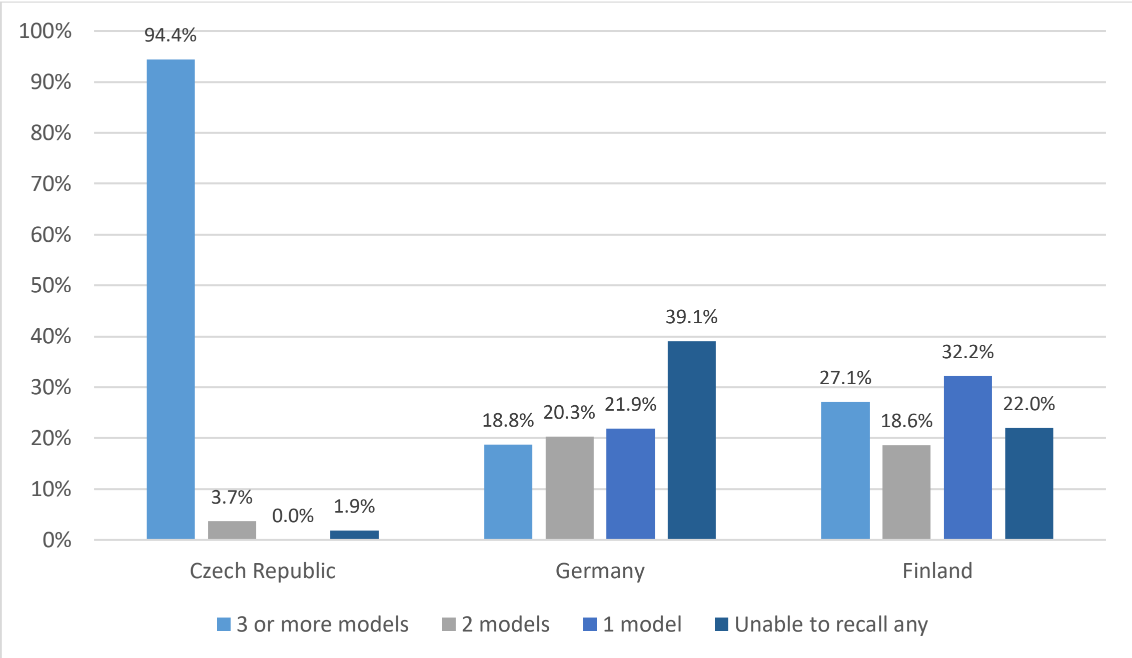


Figure 15: Respondents' recall of ŠKODA vehicle models

Brand models recall is also one of the basic measures as it is important to know, which products belong to a certain brand. Otherwise, awareness of a brand without a knowledge of the specific products will probably not lead into a purchase consideration. Vast majority of Czech consumers (94,4 %) knows at least 3 ŠKODA models which represents an enormous overview of the ŠKODA product offering and only one respondent (1,9 %) could not recall any. Finland placed second again, where 27,1 % of respondents could recall 3 or more models, 18,6% could recall two models, 32,2 %

recalled one and 22% did not recall any. In Germany, only 18,8 % of consumers named 3 ŠKODA models, 20,3 % named two, 21,9 % named one and 39,1 % of them did not remember any.

Lastly, the awareness of ŠKODA's sub-brands was examined. Consumers were asked, whether they recognize given sub-brands such as Laurin&Klement, iV, RS, Monte Carlo or Sportline that represent the derivates of ŠKODA vehicles.

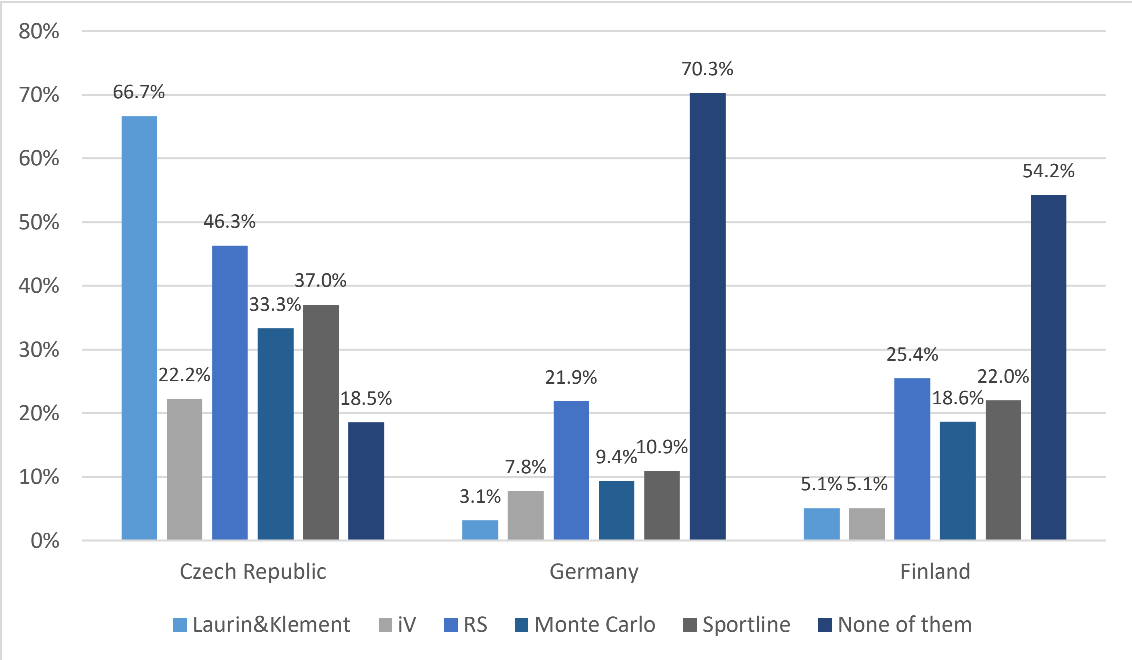


Figure 16: Awareness of respondents about ŠKODA sub-brands

The results confirmed the dominance in awareness of ŠKODA in Czech Republic even with its sub-brands. All sub-brands mentioned recorded higher recognition in the Czech Republic than in the other two markets and particularly most recognized was Laurin&Klement symbolizing luxury and full car equipment followed by sporty packets RS, Sportline and Monte Carlo. Lastly, the iV sub-brand symbolizing electrified vehicles was recognized and only 18,5 % of all respondents were not aware of any sub-brands. Respondents from Finland and Germany followed a similar pattern, where in both countries most recognition was recorded with sporty packets RS, Sportline and Monte

Carlo (in descending order) followed by electrified iV (only sub-brand with higher recognition in Germany compared to Finland) and luxurious Laurin&Klement.

The reason for such dramatic difference between the recognition of a Laurin&Klement sub-brand between Czech Republic and the other two markets could be most likely linked to the rooted awareness of Czechs about the brand heritage as Laurin&Klement marking bears name after the two Czech founders. Quite high amount of respondents did not recognize any of the mentioned sub-brands – 54,2 % in Finland and 70,3 % in Germany. Even though ŠKODA is not using the sub-brands for a very long time (especially iV mark which came only with electrified vehicles), this is definitely something ŠKODA is missing on. The unawareness of the ŠKODA derivates may be causing a decreased interest in the brand as the derivates usually represent more interesting versions of individual models.

5.1.2 Brand loyalty

Brand loyalty, a second asset of brand equity, is determined from the company's customer base. Therefore, brand loyalty was examined exclusively within the consumers that have either previous or ongoing experience with ŠKODA. First, customers were asked whether they would buy a car from ŠKODA again.

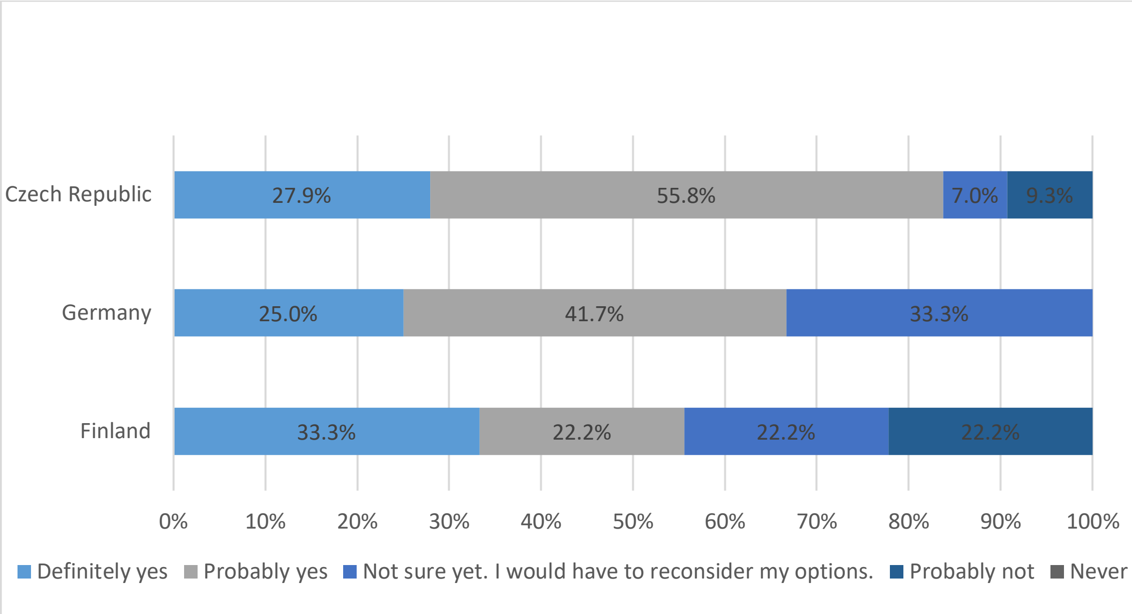


Figure 17: Willingness of customers to buy ŠKODA again

The interpretation of the willingness to buy ŠKODA again is more complex. First, it is not the Czech Republic but Finland, where the customers were most committed to buy a ŠKODA vehicle again (33,3 % against 27,9 % in Czech). In Czech Republic, however, vast majority of customers stated that they would probably repeat the purchase and together with committed, they represent 83,7 % (compared to 66,7 % in Germany and 55,5 % in Finland). On the other side, although Germany did not have as many committed loyal customers (25 %) like Finland or Czech Republic, they did have a large base of quite convinced and indecisive, however no negative attitudes towards repeating a purchase of ŠKODA as customers in Czech Republic and in Finland did. What is important for ŠKODA is, that no customer that experienced the brand stated that ŠKODA would never be considered again during the next purchase occasion.

Based on Chi-square test for Independence, there is a significant difference in willingness of customers to buy ŠKODA again between Czech Republic and Germany on the confidence level of 0,05 ($\chi^2 = 6{,}58$, df = 2, $p < 0{,}05$). However, there is no significant difference in willingness of customers to buy ŠKODA again between Czech Republic and Finland on the confidence level of 0,05 ($\chi^2 = 3{,}62$, df = 2, $p > 0{,}05$). There is also no significant difference in willingness of customers to buy ŠKODA again between Germany and Finland on the confidence level of 0,05 (χ 2 = 2,99, df = 2, p > 0,05). Therefore, only H2a is supported and H2b and H2c are not supported.

Next, brand loyalty was examined by asking the ŠKODA customers how much more (if yes) they would be willing to pay for a Volkswagen car over a ŠKODA in the same product class. An example of replacing ŠKODA Fabia for VW Polo or ŠKODA Superb for VW Passat belonging to the same vehicle classes was given. Volkswagen was chosen because lot of essential vehicle components like engines, chassis, transmissions and many more are shared within the Volkswagen group and therefore, the difference in willingness to pay extra is based exclusively on brand preferences.

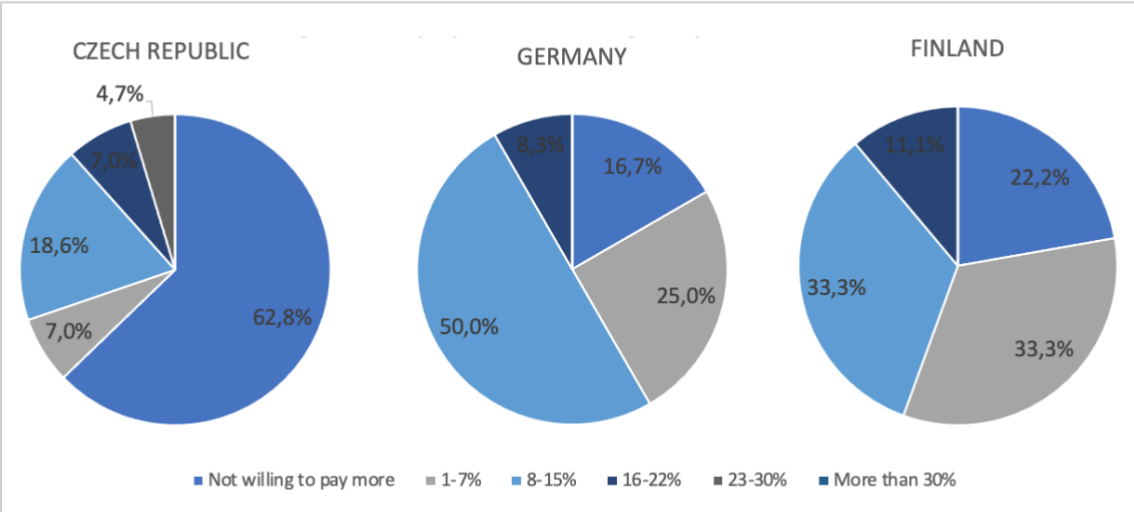


Figure 18: Willingness of customers to pay more for higher positioned brand (Volkswagen)

From the figure 18, it is evident, that nearly two thirds (63 %) of Czech consumers would not pay even a bit more in order to obtain a Volkswagen vehicle instead of ŠKODA, whereas in the other two markets, the numbers of customers willing to pay some extra was quite high. 7 % of Czech consumers would pay 1-7 % more for VW, 18,6 % of them would pay 8-15 % more, 7 % would pay 16-22 % more and 4,7 % would even pay 23-30 % more for a VW over a ŠKODA. In Finland, 22,2 % of the respondents stated that they would not be willing to pay more for VW over a ŠKODA, one third (33,3 %) would pay 1-7 % of price more, another third (33,3 %) would pay 8-15 % more and the rest (11,1 %) would pay 16-22 % more. In Germany, the unwillingness to pay more was only at 16,7 %, 25 % answered they would pay 1-7 % more, whole half of all the respondents would pay 8-15 % more and 8,3 % of respondents would pay 16-22% more for a VW branded vehicle.

5.1.3 Perceived quality

Another component of brand equity, perceived quality, was measured on the base of all respondents as no experience, except the knowledge of the brand, is needed in order to have a quality perception. Respondents were asked to evaluate their perceived quality on a scale from 1 (low quality) to 5 (high quality).

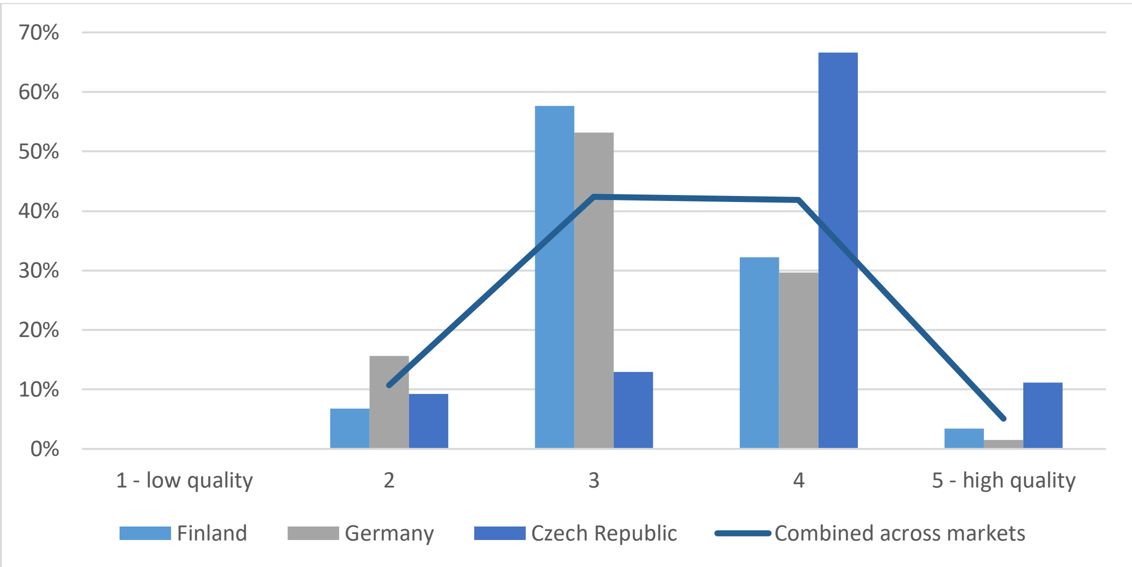


Figure 19: Perceived quality of ŠKODA

On the figure 19, it is visible, that the quality of ŠKODA is best perceived in the Czech Republic, where two thirds (66,6 %) of all respondents perceived the brand with a value 4 and the rest was almost equally distributed between values 5, 3 and 2. More than half of both Finnish (57,6 %) and German (53,1 %) respondents perceived the quality of

ŠKODA as average by value 3 and close to one third (Finland – 32,2 %, Germany – 29,7 %) perceived the quality with value 4. The rest was divided between values 2 and 5, however, value 2 dominated on both markets. When comparing the perceived quality in Finland and Germany, the result suggest that the quality is perceived better rather in Finland.

Based on Chi-square test for Independence, there is a significant difference in ŠKODA's perceived quality between Czech Republic and Germany on the confidence level of 0,05 (χ 2 = 26,60, df = 2, p < 0,05). There is also a significant difference in ŠKODA's perceived quality between Czech Republic and Finland on the confidence level of 0,05 (χ 2 = 24,72, df = 2, p < 0,05). However, there is no significant difference in ŠKODA's perceived quality between Germany and Finland on the confidence level of 0,05 (χ 2 = 2,40, df = 2, p > 0,05). Therefore, H3a and H3b are supported and H3c is not supported.

Overall, the perceived quality was mostly evaluated with values 3 and 4 (both individually accounting for 42% of respondents) across all the examined markets. The rest was split by value 2 (accounting for 11 % of respondents) and value 5 (accounting for 5 % of respondents).

5.1.4 Brand associations

In the questionnaire, multiple questions were focused on the brand associations of ŠKODA. First, consumers were asked to describe the brand in their own words. On the figure 20, most repeated answers in each country are recorded in form of boxes, where each box size represents the frequency of an individual answer. Some similar answers were combined, so that the associations are not duplicated.

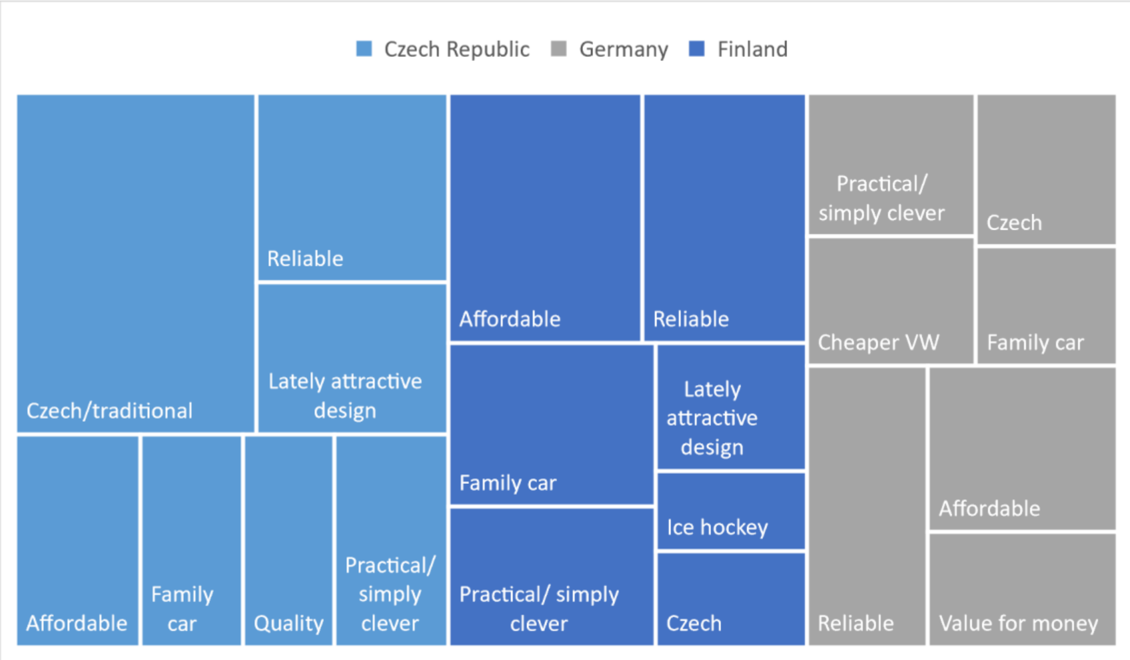


Figure 20: Respondents' associations of ŠKODA

The associations were quite similar across the markets and predominantly, only the frequency of individual answers differed. The brand was largely associated with reliability, practicality, affordability, value for money, family, Czech Republic, quality, and lot of respondents also stated that they like the recent design language. An association with VW was also mentioned quite often by either stating the belonging to the concern or ŠKODA being marked as a cheaper VW. Specific for Finland, ŠKODA was also multiple times associated with Ice hockey. In smaller quantities, ŠKODA was further connected with middle-class, safety, responsibility, and innovation.

During the statistical testing, only the associations that has been recorded at least within 2 countries has been involved. Based on Chi-square test for Independence, there is a significant difference in ŠKODA's associations between Czech Republic and Germany on the confidence level of 0,05 (χ 2 = 18,23, df = 5, p < 0,05). There is also a significant difference in ŠKODA's associations between Czech Republic and Finland on the confidence level of 0,05 (χ 2 = 23,40, df = 5, p < 0,05). However, there is no significant difference in ŠKODA's associations between Germany and Finland on the confidence level of 0,05 ($\chi^2 = 8,76$, $df = 5$, $p > 0,05$). Therefore, H4a and H4b are supported and H4c is not supported.

5.1.5 Brand identity

Three questions were dedicated to examining brand identity of ŠKODA within the study. First and second question asked the target group across markets, whether they could recall the brand's logo and its slogan.

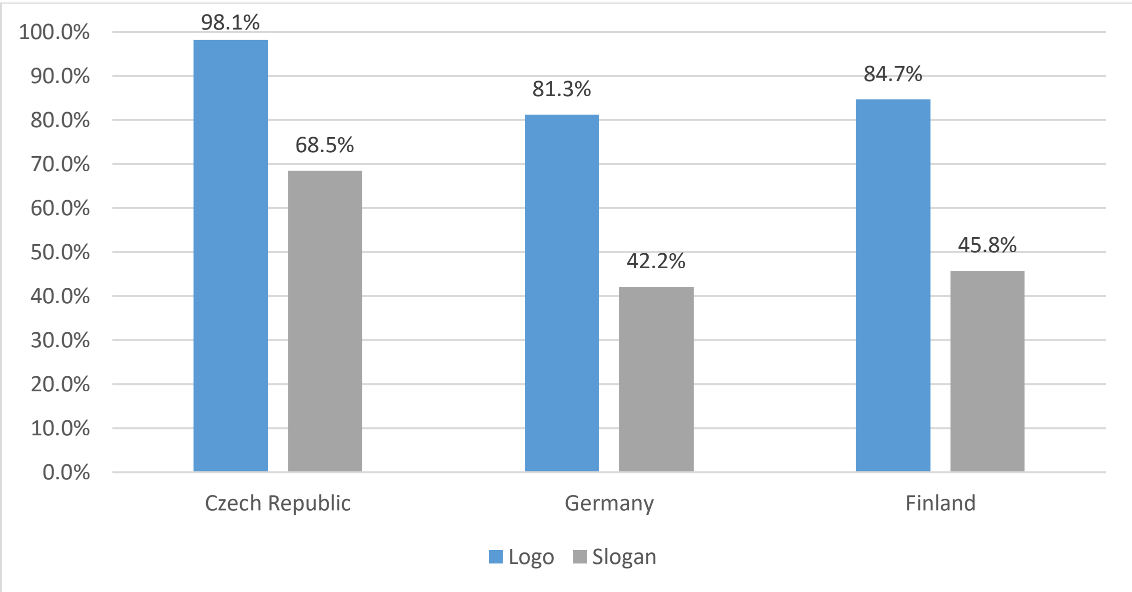


Figure 21: Respondents' recall of ŠKODA's logo and slogan

As displayed in the figure 21, consumers on all markets are familiar with brand's logo rather than its "Simply clever" slogan, which is usually the case with all brands. Czech Republic as usual, leads in both categories with a 98,1 % recall of brands' logo (only 1 respondent did not know the logo) and 68,5 % of its slogan. The values on German and Finnish market are quite similar. The recall of the brand's logo is over 80 % and of slogan over 40 % on both markets, however, in Finland the recall of both brand elements is slightly higher (from 3,4 – 3,6 % higher in both cases).

Based on Chi-square test for Independence, there is a significant difference in respondents' awareness of ŠKODA's slogan between Czech Republic and Germany on the confidence level of 0,05 ($\chi 2 = 8{,}18$, df = 1, $p < 0{,}05$). There is also a significant difference in respondents' awareness of ŠKODA's slogan between Czech Republic and Finland on the confidence level of 0,05 ($\chi 2 = 5{,}94$, df = 1, $p < 0{,}05$). However, there is no significant difference in respondents' awareness of ŠKODA's slogan between Germany and Finland on the confidence level of 0,05 ($\chi 2 = 0{,}16$, df = 1, $p > 0{,}05$). Therefore, H5a and H5b are supported and H5c is not supported.

Lastly, the consumers who were able to recall the brand logo were further examined about their knowledge of logo meaning. Consumers were given 5 options, from which only one was right or they could directly state that they do not know.

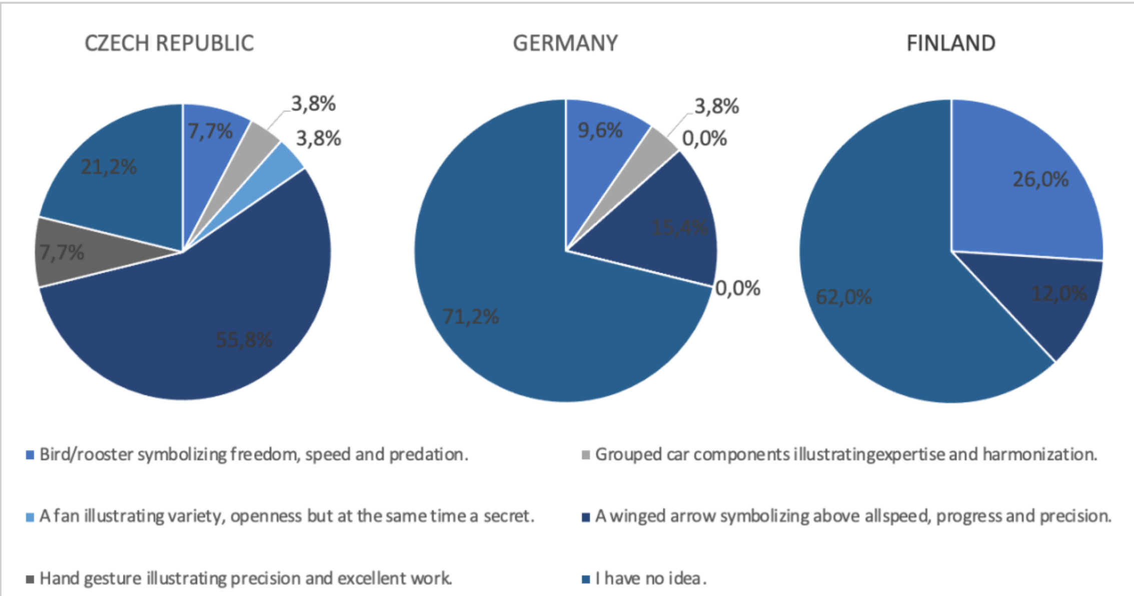


Figure 22: Awareness of respondents about ŠKODA logo meaning

The logo meaning was much less known even though it was examined exclusively within the respondents being able to recall the brand logo. In Czech Republic, slightly more than half of the consumers (55,8 %) knew the right meaning of the logo ("A winged arrow symbolizing above all speed, progress and precision"), however, all the possible wrong options were also at least once chosen and 21,2 % stated directly that they do not know about the logo meaning. The two remaining markets scored again similarly within the range of 3,4 % difference, just this time German consumers were a little ahead with 15,4 % of awareness over 12 % in Finland. Overall, quite many respondents across markets connected the brand logo with incorrect meaning “Bird/rooster symbolizing freedom, speed and predation”.

5.1.6 Perceived price

The perceived price has also been examined independently on the researched markets. All respondents admitted to the main research were included into this question regarding of their knowledge of the pricing or not as price may be perceived low/average/high even without the pricing knowledge and it is the perception that leads to brand inclusion/elimination in purchase decisions.

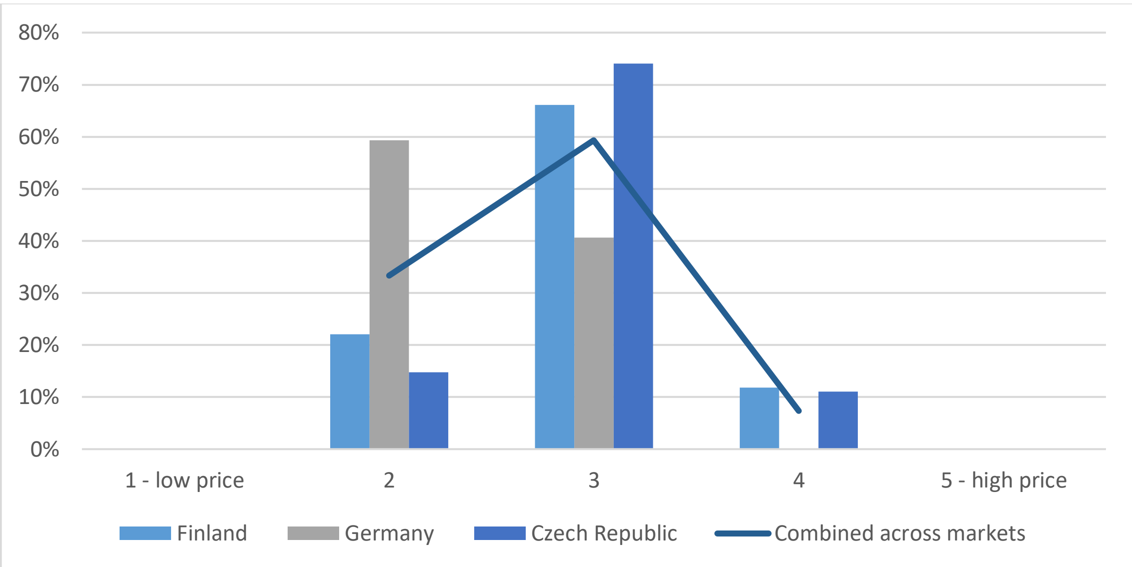


Figure 23: Perceived price of ŠKODA

Price was perceived lowest in Germany, where the majority of respondents (59,4 %) marked ŠKODA on the scale by value 2 indicating rather lower price and the rest (40,6 %)

by value 3 indicating average. Finland and Czech Republic were almost equal in the percentage of respondents perceiving ŠKODA as higher price as 11,9 % Finnish consumers and 11,1% Czech consumers voted for value 4 on the scale, however, there was a higher amount of consumers (74,1 %) from the Czech Republic marking the price as average (compared to 66,1 % from Finland) and conversely, higher amount of Finnish consumers (22,0 %) marking the price rather lower (compared to 14,8 % from Czech).

Based on Chi-square test for Independence, there is a significant difference in perceived price of ŠKODA between Czech Republic and Germany on the confidence level of 0,05 (χ 2 = 27,89, df = 2, p < 0,05). However, there is no significant difference in perceived price of ŠKODA between Czech Republic and Finland on the confidence level of 0,05 (χ 2 = 1,06, df = 2, p > 0,05). Yet again, there is a significant difference in perceived price of ŠKODA between Germany and Finland on the confidence level of 0,05 (χ 2 = 21,69, df = 2, p < 0,05). Therefore, H6a and H6c are supported and H6b is not supported.

Overall, the price was not perceived to any of the extremes and neither low or high price was recorded from the answers of respondents. Most of the respondents across markets marked ŠKODA as an average price vehicle (3 on the scale 1 to 5) and the rest leaned rather to lower price (value 2) than to higher price (value 4).

5.1.7 Purchase intension

First, it is important to state that in order to properly investigate and interpret purchase intentions, consumers were divided into two groups – those who had a previous experience with any ŠKODA vehicle (either their own or within their family) and those who have no former experience with ŠKODA. The group without any experience was given a question, whether they would consider purchasing a car from such brand and the respondents were supposed to answer on a scale from 1 (very unlikely) to 5 (very likely).

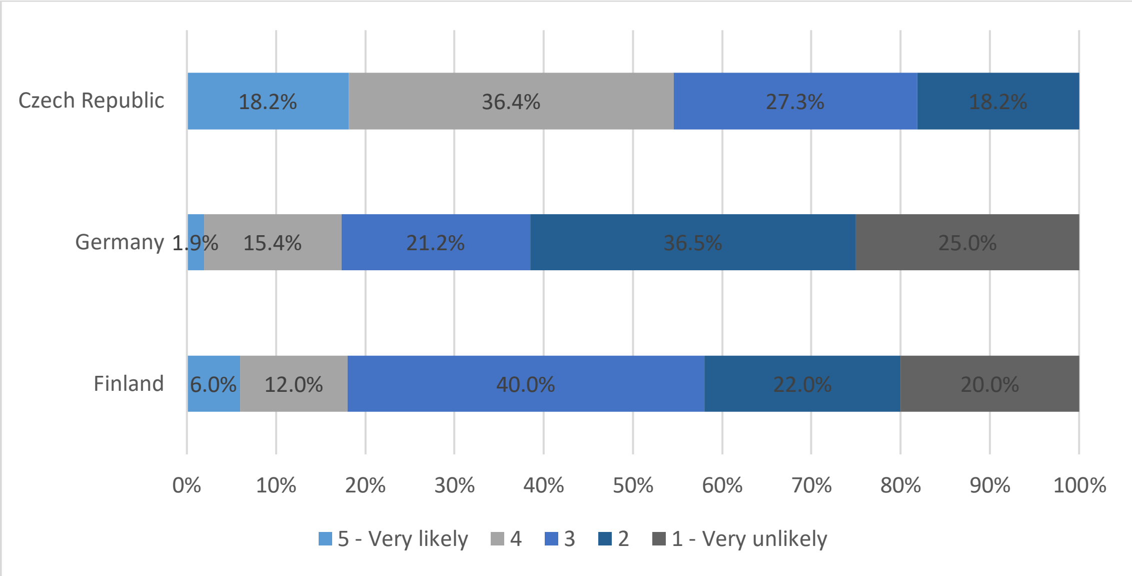


Figure 24: Purchase intention of respondents without previous ŠKODA experience

As displayed on the figure 24, consumers from Czech Republic would consider purchasing a vehicle from ŠKODA most likely. More than half of the respondents took a positive attitude towards purchase consideration and there was no respondent, who would have stated that it would be very unlikely to consider a purchase of ŠKODA vehicle. On the other hand, both Finland and Germany took rather a negative attitude towards the purchase consideration.

Based on Chi-square test for Independence, there is a significant difference in respondents' without ŠKODA experience purchase intentions between Czech Republic and Germany on the confidence level of 0,05 (χ 2 = 10,96, df = 4, $p < 0{,}05$). However, there is no significant difference in respondents' without ŠKODA experience purchase intentions between Czech Republic and Finland on the confidence level of 0,05 (χ 2 = 7,55, df = 4, $p > 0{,}05$). There is also no significant difference in respondents' without ŠKODA experience purchase intentions between Germany and Finland on the confidence level of 0,05 (χ 2 = 6,39, df = 4, $p > 0{,}05$). Therefore, only H7a is supported and H7b and H7c are not supported.

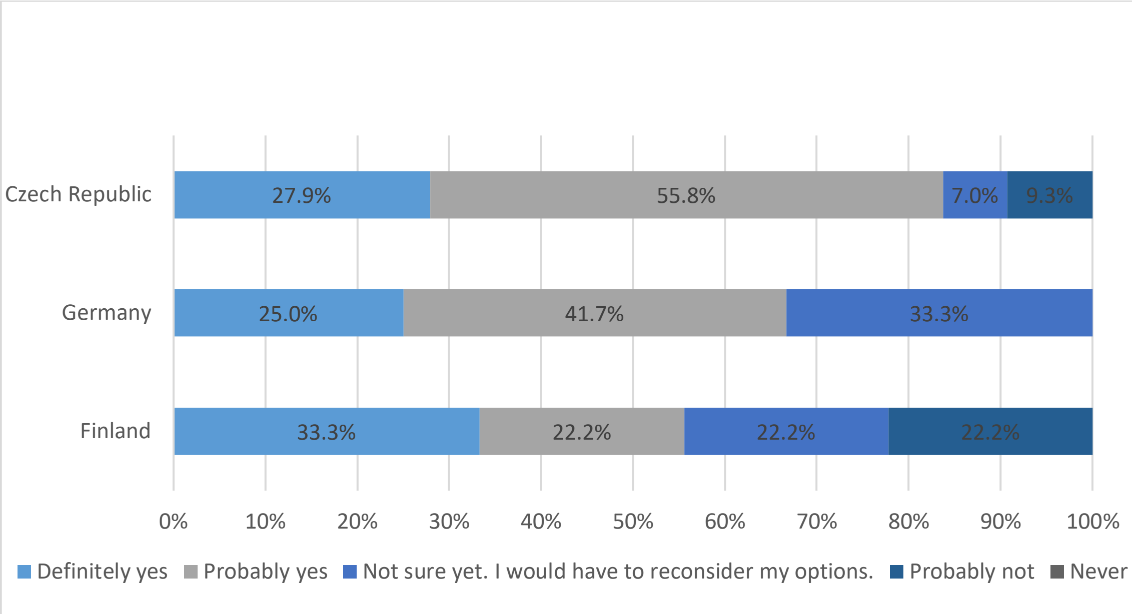


Figure 25: Purchase intention of respondents with previous ŠKODA experience

On the figure 25, the interpretation of the results is not as clear. First, it is not the Czech Republic, where the respondents stated the biggest certainty in repeating the purchase of ŠKODA vehicle, however, Finland consumers were most certain. In Czech Republic, however, vast majority of respondents stated that they would probably purchase a ŠKODA vehicle again. On the other side, although Germany did not have as many certain loyal customers, they did have a large base of quite convinced and indecisive, however no negative purchase intentions as Czech Republic and Finland did. What is important for ŠKODA is, that no previous consumer that experienced the brand stated that ŠKODA would never be consider again during the next purchase occasion. Overall, it could be said, that in all the markets, the purchase intentions are considerably higher with the customers having previous experience with the brand in comparison with consumer without the brand experience.

5.1.8 Perceived value

Perceived value in this study is based on comparison with other concern brands. ŠKODA is compared to closest positioned concern brands within Volkswagen group such as

Volkswagen, Seat and Audi. Consumers were supposed to sort these brands from 4 (most provided value) to 1 (least provided value) for money paid.

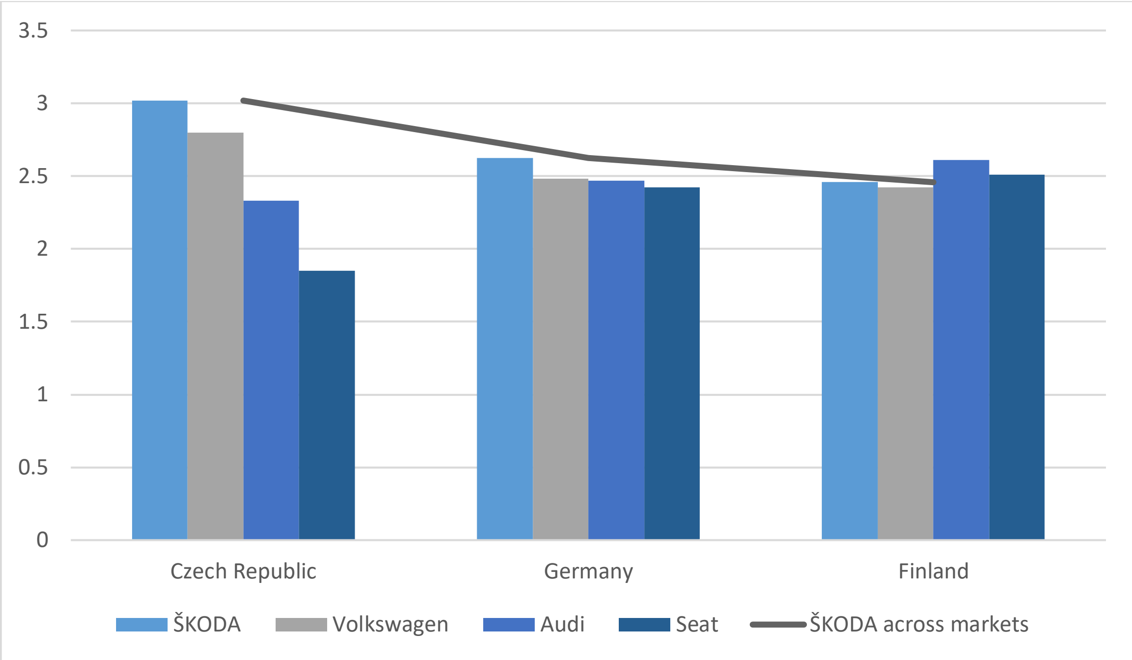


Figure 26: Perceived value of ŠKODA

The order of brands perceived values was identical on two markets – Czech Republic and Germany, where ŠKODA placed first followed by Volkswagen, Audi and Seat. The only difference between these two markets was the size of the differences between individual brands. In Czech Republic, the differences were quite big in comparison with Germany, where the perceived value between the brands were not that much different. In Finland, however, the order of the brands in terms of perceived value was quite different from the two other markets. Audi took a first place followed by Seat, ŠKODA and lastly Volkswagen. ŠKODA in comparison with the other concern brands achieved the highest perceived value on two markets – Czech Republic and Germany.

Based on the Kruskal-Wallis contrasts, there is no significant difference in perceived value between Czech Republic and Germany (χ 2 =4,78; df=2; P > 0,05). There is no significant difference in perceived value between Czech Republic and Finland (χ 2 =10,59;

df=2; P < 0,05). There is no significant difference in perceived value between Germany and Finland (χ 2 =1,34; df=2; P > 0,05). Therefore, all H8a, H8b and H8c are not supported.

5.1.9 Country of origin

Country of origin is an important aspect when it comes to brands and as it significantly affects consumers' perceptions of a brand. Country of origin has been addressed by various questions. First, consumers were asked about their knowledge of the brand's country of origin.

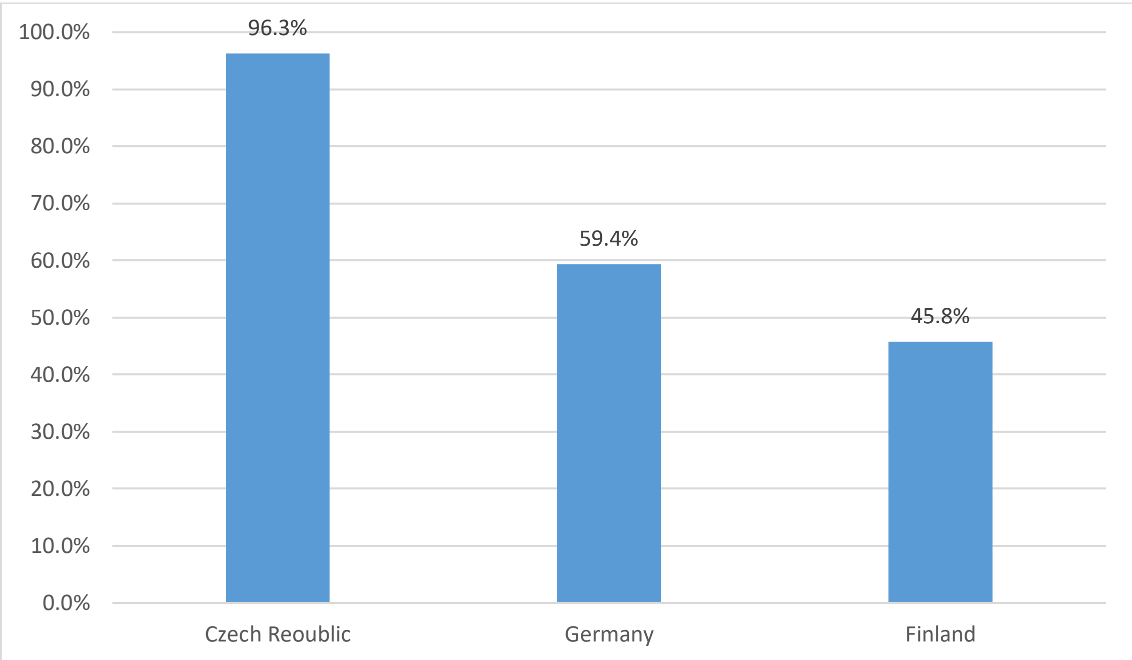


Figure 27: Respondents' knowledge about brand origin of ŠKODA

Almost all respondents (96,3 %) in the Czech Republic knew that ŠKODA is a domestic brand only 3,7 % of respondents did not know the brand origin. In Germany, majority of the respondents (59,4 %) named Czech Republic as the correct answer, however, 39,1 % of Germans did not know the origin and 1 respondent (1,6 %) stated an incorrect origin (Sweden). In Finland, majority of the respondents did not know the right origin of the brand. Only 45,8 % of respondents stated the origin correctly, 49,2 % didn't mention any country, two respondents named Germany (3,4 %) and one named Slovakia (1,7 %) as brand origin. The consumers were further asked about their knowledge of ŠKODA's connection with the Volkswagen Group, which took place during the 1990s.

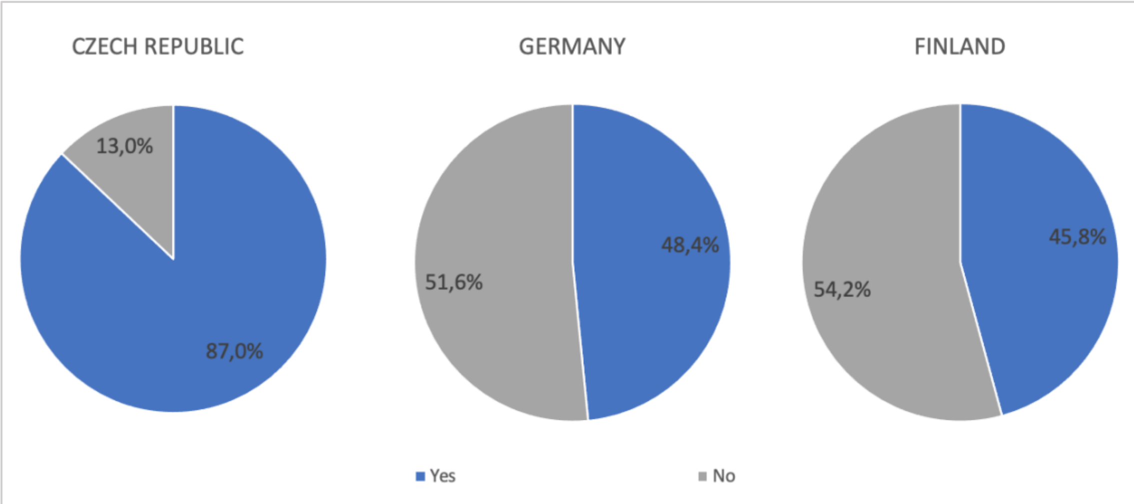


Figure 28: Awareness of respondents about ŠKODA being part of VW Group

The population in Czech Republic was once again most aware (87 %) of the German ownership of the brand. Quite surprising is the fact, that the awareness of German population (48,4 %) is significantly lower and almost equals the awareness of the Finnish population (45,8 %). The consumers without a former knowledge of the ŠKODA belonging were further asked, whether their newly acquired knowledge about the ŠKODA ownership changes their perception of the brand and to which direction if it does.

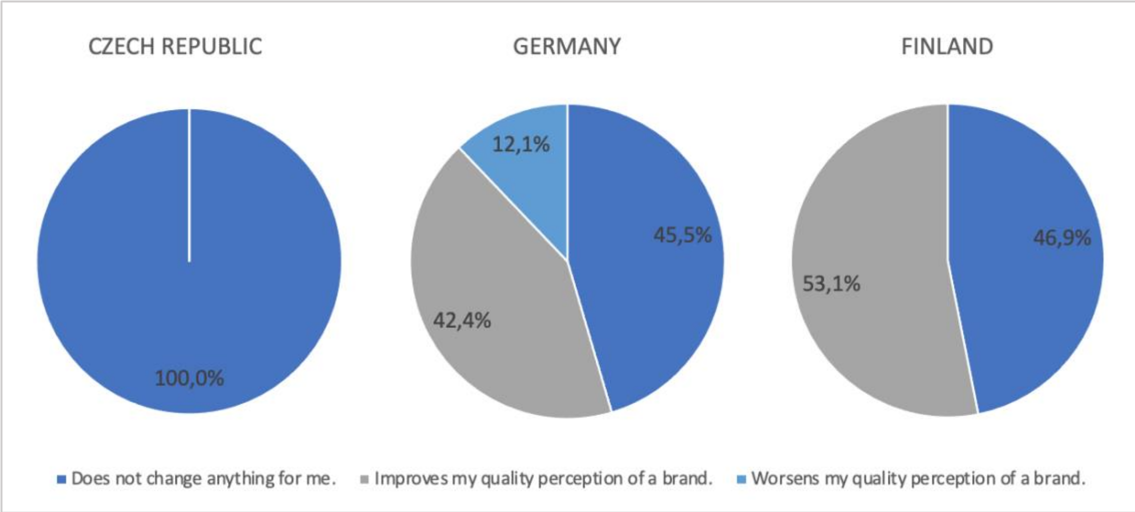


Figure 29: Information about German ownership of ŠKODA

In Czech Republic, the results were very clear as all respondents stated that the acquisition of the knowledge did not change anything for them. In Finland, 46,9 % of consumers stated that the connection with the concern did not make any difference for them, however, more than half of Finnish (53,1 %) stated their improved perception after the new information. Almost identical as in Finland, 45,5 % of German respondents stated that the knowledge does not change their perception, however, the rest of the respondents did not agree on the direction of the influence. Majority of them (42,4 %) stated, that the German ownership improves their perception and less numerous group (12,1%) stated the opposite.

Based on Chi-square test for Independence, there is a significant difference in change of perception towards ŠKODA after providing respondents with information about German ownership of the brand between Czech Republic and Germany on the confidence level of 0,05 (χ 2 = 6,94, df = 2, p < 0,05). There is also a significant difference in change of perception towards ŠKODA after providing respondents with information about German ownership of the brand between Czech Republic and Finland on the confidence level of 0,05 (χ 2 = 7,73, df = 2, p < 0,05). However, there is no significant difference in change of perception towards ŠKODA after providing respondents with information about German ownership of the brand between Germany and Finland on the confidence level of 0,05

($\chi^2 = 4{,}14$, df = 2, $p > 0{,}05$). Therefore, H9a and H9b are supported and H9c is not supported.

The unambiguous answer in Czech Republic can be interpreted in many ways. It can be the Czech national pride or the consciousness of Czechs of their quality work and German ownership (even through the fact of Germany being one of the largest production car markets) does not add any added value to the product being produced in their country. In case of Germany and Finland, however, certain advantage of the German ownership is evident.

5.2 Research across markets

This chapter includes the common findings of ŠKODA brand perceptions across examined markets. First, ŠKODA brand associations are compared with consumers' preferences. Next, the perception of ŠKODA owners is presented followed by the likeliness of customers to recommend the brand to others. The perceived quality is compared to the perceived price of the band. Lastly, some additional insights including findings based on the gender distribution are offered.

5.2.1 Associations vs. consumers' preferences

To find out consumers' preferences, respondents were asked about most important features and influential parameters when considering a vehicle purchase. Consumers were given 14 options from which they chose 5 most important according to them. Later on when presenting questions related to ŠKODA, consumers were asked to choose 5 most suited associations for ŠKODA from 13 options in order to be able to analyze the differences after. The options were not identical in both asked questions, however, vast majority of options had its counterpart in the second question as well. It is also important to state, that concrete numbers are not relevant, but they serve to compare in which areas ŠKODA might be losing on customer preferences.

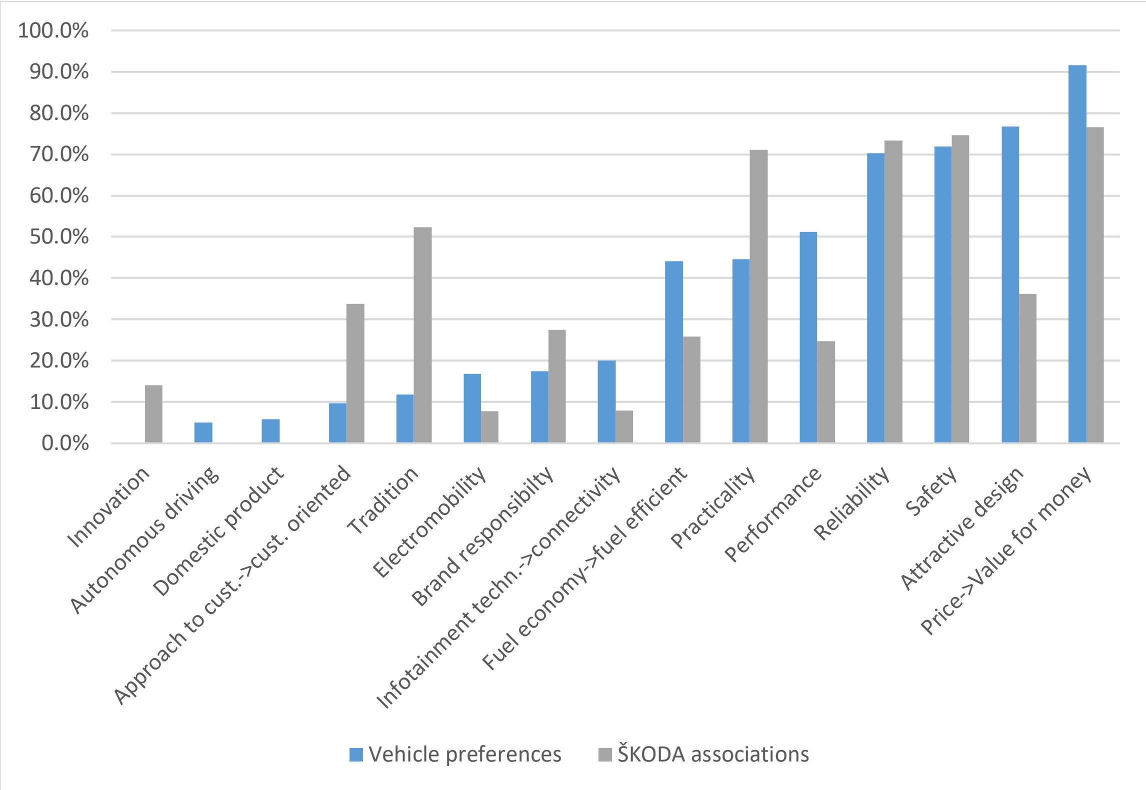


Figure 30: Most important features of a vehicle according to respondents vs. their ŠKODA associated features

The research found that the target group most care about the price, which more than 90 percent of respondents included in the 5 most important aspects. Price was followed by three important aspects – design, safety, and reliability (all with over 70 % of responses). There were 3 more aspects mentioned more frequently than the rest and it was vehicle's performance, practicality, and fuel economy. When compared to ŠKODA associations, bigger differences are visible in aspects such design, performance, practicality, and fuel efficiency. ŠKODA is significantly losing on attractive design as only 36,2 % of consumers marked ŠKODA as attractive. Even though quite many consumers described the brand in their own words as "lately attractive design", obviously, compared to the competition it is not the most highlighted aspect of ŠKODA cars. Another big difference was recorded in performance, which according to an absolute majority (over 50 %) belongs to top 5 most important aspects of a vehicle. There has been, however, only 24,7 % of consumers who linked ŠKODA to performance. On the other hand, practicality, as the sixth most important aspect in consumers eyes, was overcome by ŠKODA, when over 70 % of consumers connected ŠKODA to practicality. Fuel economy is, however, again something ŠKODA is missing on in consumers' minds. There are also some aspects, that ŠKODA dispose of abundantly. Those aspect are for example the brand's tradition and the approach to customers. Although these associations are positively associated with the brand, the consumers may not appreciate them as much as they rely on other priorities.

5.2.2 Ownership perception

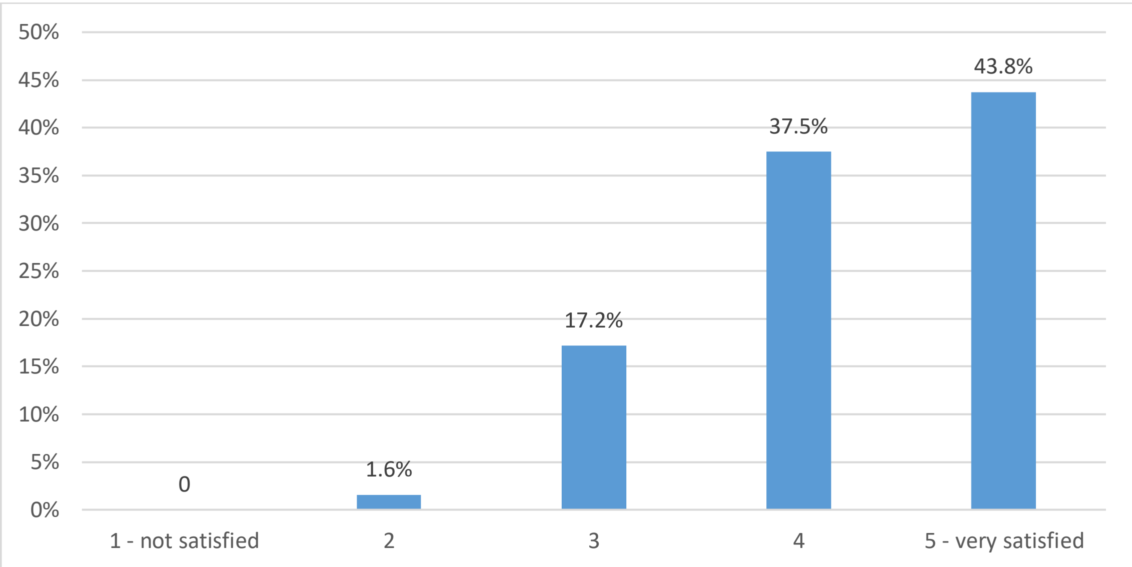


Figure 31: ŠKODA ownership perception across markets

Respondents that experienced ŠKODA were asked about their impression of the vehicle and were supposed to evaluate it on the scale from 1 (not satisfied with the vehicle) to 5 (very satisfied with the vehicle). The results were very pleasing for ŠKODA as more than 80 % of all customers marked their experience on the scale with a 4 or 5. Similarly to that, respondents that experienced ŠKODA were asked, whether they would recommend the vehicle further to their friends or colleagues and were given the same Likert scale from 1 (very unlikely) to 5 (very likely). As the results were again similar across markets, the finding is provided altogether.

5.2.3 Likeliness of customers to recommend the brand

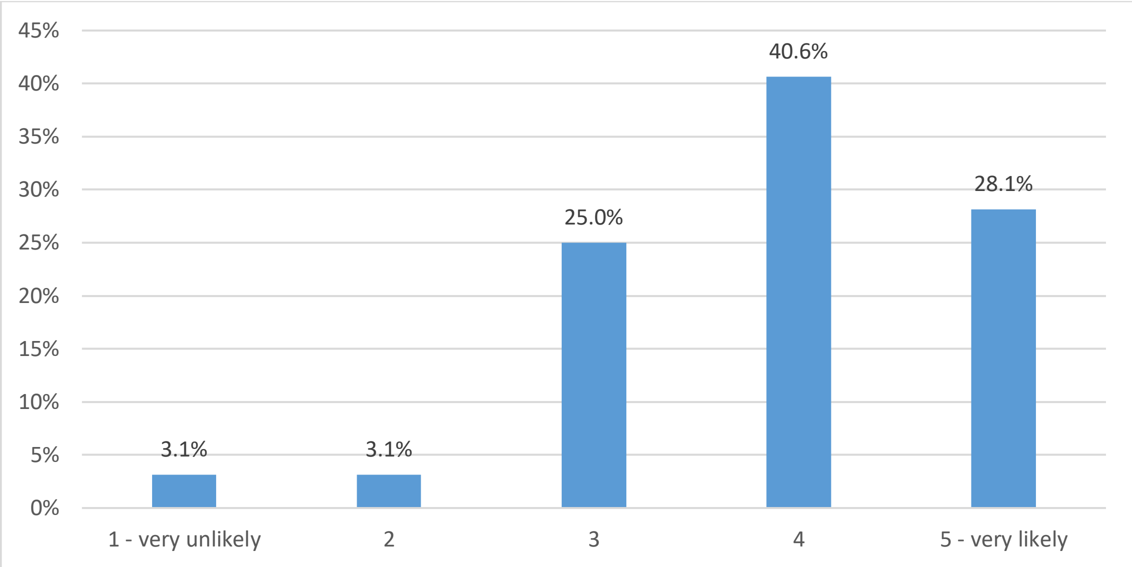


Figure 32: Likeliness of customers to recommend ŠKODA

The likeliness of the customers visible on the figure 32 is also very positive for ŠKODA as more than two thirds (68,7 %) of the customers are very likely or likely to recommend the brand to their friends or colleagues. The results therefore support he customer's ownership satisfaction displayed on the figure 31 even though the likeliness of recommendation is a bit lower than the rate of satisfaction, not all satisfied customers are always willing to recommend the brand to others. The satisfaction of ŠKODA experienced customers could be also visible from the purchase intentions, that has been in the previous subchapter on figures 25 and 24 compared with unexperienced consumers. Purchase intention of previous customers is much higher than purchase intention of consumers without previous ŠKODA experience.

5.2.4 Perceived quality vs. perceived price

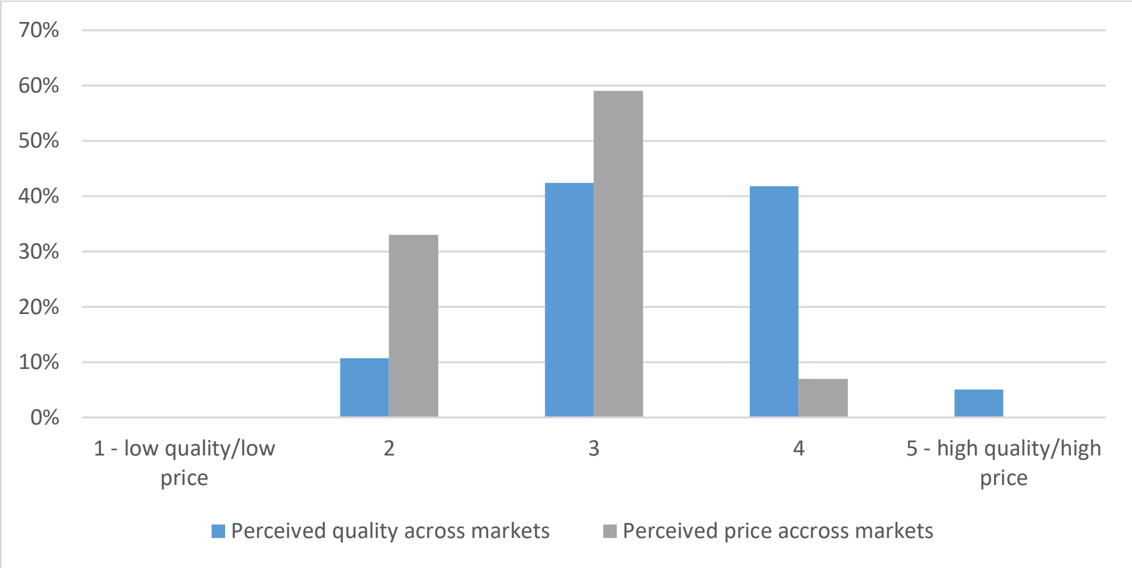


Figure 33: ŠKODA perceived quality vs. price

Perceived price vs quality ratio across all the markets is also in favor of ŠKODA as there are more perceptions of high quality rather than high price and conversely more perceptions of low price rather than low quality. Perceived price was generally rather lower in more developed countries where the average incomes are higher and therefore the relative price of the car lower.

5.2.5 Further findings

The consumers with ŠKODA experience across the markets were asked, whether they considered any other brands before purchasing a ŠKODA. Two thirds on both Czech and Finish market and one third on the German market responded they did not consider any other brands before purchasing their ŠKODA. The rest of the respondents mentioned at least one brand that was considered next to ŠKODA during the purchase decision. To most repeated alternatives belonged Volkswagen, followed by Ford, Mercedes-Benz (predominantly on German market), Audi, Peugeot (Czech market), Opel, BMW, and Volvo. These brands could be therefore marked as ŠKODA close competitors.

The study also compared the results based on the gender of respondents. Generally, the familiarity with the brand was distinctly stated higher within males, which was further confirmed by males' greater knowledge of brand models, but also the brand logo and slogan. The higher awareness and familiarity could be addressed to the larger interest of men in the automotive industry. The impression of the brand and purchase intentions, however, did not record any distinctive differences between the two genders.

6 Discussion and Conclusions

The purpose of this chapter is to provide a summary of the research and indicate what follows from this study. First, main conclusions of the research together with answering the research question will be presented. Secondly, the managerial implications are going to be provided. Lastly, the author states the limitations of the study together with possible future research directions.

6.1 Main conclusions

In the theoretical part, this study provided an overview of different brand equity models such as “BrandAsset Valuator” by Young and Rubicam, “BrandZ” model by Milward Brown and WPP, the “Brand resonance model” by K. L. Keller and the brand equity model by D. A. Aaker and its assets (brand awareness, brand loyalty, perceived quality and brand associations), that were among other phenomena examined in this study. Also, the brand identity model by D. A. Aaker was mentioned in the theory and later used to evaluate the findings related to ŠKODA’s global branding. Also, an overview of the branding benchmarks and latest trends in the automotive industry based largely on automotive industry annual reports issued by multinational consulting agencies such as Deloitte, PwC or Accenture were created in order to be able to give ideas and suggestions for further brand development of ŠKODA. Additionaly, official global branding of ŠKODA was summarized in order to be able to compare with findings later.

ŠKODA is doing a great job in its global branding activities as many aspects of the brand presented on their official brand websites are in line with consumers perceptions that has been presented in the findings. As stated on the official websites of the Volkswagen Group, ŠKODA is within the VW Group brand portfolio positioned as an excellent “value for money”, offering excessive spaciousness and functionality for product-value focused audience. It was also value for money, practicality and reliability that were placed within the first consumers’ associations of ŠKODA during the research. Also, the ŠKODA brand core “Driven by inventiveness. Clever ideas – since 1895” was reflected with the consumers perception as some consumers connected the brand with innovation and many with simply clever ideas. This is related also to the ŠKODA slogan “Simply clever” that was quite familiar with consumers across markets as well. The brand logo was even more familiar to consumers, however, its meaning remained relatively unknown. Lastly, ŠKODA states that responsibility and putting their customers always first belong to ŠKODA’s values and together with other values form their brand identity. These values have been also associated with ŠKODA by the respondents as quite many marked the brand as responsible and customer oriented.

Comparing the consumer preferences within important vehicle features and ŠKODA vehicle associations according to consumers perceptions, performance and attractive design were lacking. The insufficient presence of performance associations could have been expected as ŠKODA is not focused on such features and these are rather represented by brands in more premium segments. The attractive design, however, is something ŠKODA should keep in mind and focus on as design placed second in consumers preferences when considering a vehicle purchase. Luckily for ŠKODA, relatively big amount of consumers mentioned the brands “lately attractive design” which could be addressed to the new “crystalline design” language that ŠKODA adopted in 2015 with the arrival of new flagship model ŠKODA SUPERB. As the new design language may not be completely familiar to all the respondents and previous models are still more present on the roads nowadays, continuity and gradually full implementation of the new crystalline design language into the whole product portfolio will presumably bring the brand more attractive design perceptions in the future.

From the perspective of individual markets, the brand is unequivocally best perceived and familiar to consumers in Czech Republic where, with exceptions, almost all brand characteristics were recorded in favor of the domestic market. The exceptions included the perceived price, which was recorded highest in Czech Republic and the brand associations that were recorded similar across all examined markets. These findings could be addressed to many aspects such as the brand heritage, the company's great influence on the domestic economy and employment or brand's high market share. The perceptions between Germany and Finland, however, are not so unambiguous.

Statistical testing was conducted in order to answer the research question of this study: *"What are the similarities and differences in ŠKODA's brand perceptions between Generation Z's adults from Czech Republic, Germany and Finland?".* The results of the statistical testing are presented for a greater understanding into a table below.

Table 4: Hypothesis testing

H1, H2, H3, H4, H5, H6, H7, H8, H9	**Supported / Not supported**
There is a significant difference in ŠKODA's brand awareness between Czech Republic and Germany (H1a), Czech Republic and Finland (H1b) and Germany and Finland (H1c).	H1a, H1b and H1c are supported
There is a significant difference in willingness of customers to buy ŠKODA again between Czech Republic and Germany (H2a), Czech Republic and Finland (H2b) and Germany and Finland (H2c).	H2a is supported and H2b and H2c are not supported
There is a significant difference in ŠKODA's perceived quality between Czech Republic and Germany (H3a), Czech Republic and Finland (H3b) and Germany and Finland (H3c).	H3a and H3b are supported, and H3c is not supported
There is a significant difference in ŠKODA's brand associations between Czech Republic and Germany (H4a), Czech Republic and Finland (H4b) and Germany and Finland (H4c).	H4a and H4b are supported and H4c is not supported
There is a significant difference in respondents' awareness of ŠKODA's slogan between Czech Republic	H5a and H5b are supported and H5c is not supported

and Germany (H5a), Czech Republic and Finland (H5b) and Germany and Finland (H5c).	
There is a significant difference in perceived price of ŠKODA between Czech Republic and Germany (H6a), Czech Republic and Finland (H6b) and Germany and Finland (H6c).	H6a and H6c are supported and H6b is not supported
There is a significant difference in respondents' purchase intentions without ŠKODA experience between Czech Republic and Germany (H7a), Czech Republic and Finland (H7b) and Germany and Finland (H7c).	H7a is supported and H7b and H7c are not supported
There is a significant difference in perceived value of ŠKODA between Czech Republic and Germany (H8a), Czech Republic and Finland (H8b) and Germany and Finland (H8c).	H8a, H8b and H8c are not supported
There is a significant difference in change of perception towards ŠKODA after providing respondents with information about German ownership of the brand between Czech Republic and Germany (H9a), Czech Republic and Finland (H9b) and Germany and Finland (H9c).	H9a and H9b are supported and H9c is not supported

As mentioned in the theory, there has been two previous studies related to ŠKODA on the Czech market. Even though the target groups of both studies were relatively wide and varied from this study (both were limited by the age of 18 at the bottom and one limited at 65 at the top and second without a top limit), the researched findings were mostly in line with this study. Very similar findings were recorded with the study by Poláková made on the Czech market in 2017. Less similarities were found also with the study by Příkopová from 2013, however, that study did not have as many identical questions with this study. For a better overview and comparison of the results of those studies, a table with findings that has been examined in both previous studies and this study is provided (see Appendix 2).

Also, a study of ŠKODA brand perceptions across cultures of Poland and United Kingdom that has been mentioned in the theory was compared with result of this study. Similarly as the other two Czech studies, this study chose a target group of age 18 and over, not having any top limit, which makes the samples different with this study. However, despite the distinct target group and examined markets, there were similarities in brand characteristics between the two studies. The consumers on all markets agreed, that the price of ŠKODA is affordable/reasonable, the perceived quality was favorable for ŠKODA and good value for money was associated with the brand on all markets as well. Overall, the brand perceptions were recorded better in Poland than in UK, which was attributed to the fact, that Poland is a neighboring country with Czech Republic. This trend was, however, not supported by this study as the brand was usually better perceived in more distant Finland.

Both studies were statistically tested, however, through different testing methods. The study of Beneke & Rozum used the non-parametric Mann-Whitney test while this study used the Chi-square test for Independence. The questions were laid differently and possible answer options differed in this study and study of Beneke & Rozum as well (for comparison of the statistical testing of both studies, see Appendix 3).

6.2 Managerial implications

Regardless of the researched market, the brand is distinctly better perceived within consumers, that has experienced ŠKODA vehicles on their own and also are more likely to recommend ŠKODA to others. The company, either on a global level or individually on the present markets, should strive for introduction of their products (vehicles) to consumers and provide them with a possibility to experience them without the necessity of making a purchase. Such experience can have many forms starting from a taxi drive, exhibition of a vehicle finishing with a test drive or a car rental. However, the strongest emotions are achieved when driving the vehicle. Many dealerships are offering free test drives of their vehicle, but not many people visit dealerships in person when not looking for a vehicle to purchase and even less are regularly visiting their websites. As carsharing is becoming more and more popular, ŠKODA should focus on building a carsharing platform with their own vehicles. Especially the youths that this study focused on usually do not possess enough resources to buy their own vehicle and car sharing is an option they could use when needed.

The benefits of establishment of a car sharing platform are apparent in many areas. First, ŠKODA would gain additional income in form of short-term car rentals, its brand awareness would rise but most importantly would allow the consumers to experience their vehicles “behind the wheel” without a need of a vehicle purchase. Those who would use the service would not only find out the positive aspects of ŠKODA cars but could also help consumers associate the brand with being customer oriented and providing help when needed. Moreover, such service would also fit the company values “simplifying”, “accessible”, “make life easier”, “full of ideas”, “human”, “caring” and “inviting”. In addition, building a car-sharing platform with electric vehicles could increase the consumers’ associations of ŠKODA with electromobility, that is lacking compared to consumers preferences and even improve the perception of consumers towards ŠKODA in areas of responsibility that is gaining on importance lately and even could accelerate the world transition to electromobility as not many consumers have built their trust in this alternative powertrain yet.

The idea of shared mobility in cooperation with ŠKODA already started in Czech Republic, where services such as Uniqway or BeRider were launched. Uniqway is a student carsharing platform that was developed between three Prague universities, where all the students and school stuff can take advantage of such service. BeRider is then a platform based on shared electric scooters. Both platforms are powered by ŠKODA AUTO

Digilab and first mentioned also by ŠKODA AUTO Česká Republika together providing a solution to both mentioned problems (shared mobility and electromobility). These projects, however, work only on a small scale and exclusively in Prague and its surroundings leaving space for greater expansion. No projects combining ŠKODA and shared mobility were found in the territory of Germany or Finland.

Another feature ŠKODA was missing on was connectivity of the vehicle and infotainment technology. With connectivity of vehicles being one of the current automotive trends, this is something ŠKODA should be focusing on especially in relation to the young consumers. Even though ŠKODA has made large improvements in its connectivity over the past years and allowed for features such as wireless phone connection to its infotainment system through Apple CarPlay and Android Auto platforms, equipped its cars with wireless charging ports, introduced virtual cockpit and added a large number of driving assistants, consumers may not be aware of such facts and ŠKODA should focus on its communication towards consumers.

When mentioning the communication, ŠKODA should put more focus on social media advertising as social media are gaining on importance in automotive branding. Especially for the young target group that has been set for this research, social media are the best fit. Engagement on social media platforms of ŠKODA in Germany and in Finland are, considering the country's population and social media presence of the competition, very low and more focus should be put on those. ŠKODA's presence on social media in the Czech Republic considering the population and competition is much better, however, still provides room for significant improvement.

Automotive trends such as subscription services and virtual servicing is something ŠKODA should take into consideration in the future as well. Subscription services (a possibility of exchanging and using the entire ŠKODA fleet) might be beneficial for some consumers as reasons for car usage may vary depending on the individual occasion. Such service would also increase the brand loyalty of customers as there would be no need to own another vehicle. Also, the virtual servicing (possibility of a car pick-up and return from home or office for a service) might be something busy managers or families with small children find very useful and might provide the brand with better customer experience.

Lastly, according to the current situation of COVID-19 pandemic and automotive branding benchmarks, ŠKODA should consider the use of AR and VR technologies to stay in touch with their customers and try to engage new ones. During the pandemic, car dealerships were either closed or not frequently visited in many countries and the sales of vehicles dropped across markets. ŠKODA could stay in contact with consumers by presenting their vehicles and its features with the help of such technologies.

Table 5: Summary of managerial implications

Shared mobility	- Consumers perceive ŠKODA better after they experienced the brand - Need to familiarize consumers with the ŠKODA cars - Strongest emotions when driving the vehicle -> car-sharing platform (rising in popularity) - Fits the brand values - Possible to connect with electromobility by offering electric vehicles -> increased associations with electromobility and responsibility
Connectivity	- Consumers not aware of ŠKODA's innovativeness in connectivity of its vehicles - wireless phone connection to its infotainment system, wireless charging ports, virtual cockpit, driving assistants - Need to communicate to consumers (social media)
Communication	- Approaching the consumers on social media platforms

	- Increasing importance in automotive industry and ideal channel for chosen target group - Low presence especially in Germany and Finland
Subscription services	- Different occasions require different types of vehicles - With subscription service all needs covered with one regular payment - No need for another vehicles -> increased brand loyalty
Virtual servicing	- Beneficial for busy managers or families with children - Improving customer experience
AR and VR technologies	- During COVID-19 dealerships closed or not visited - To stay in touch with customers and try to engage new ones by presenting vehicles virtually

6.3 Limitations and future research directions

Some limitations that influenced the contribution of this study occurred during the research. Thanks to authors' deficient networks on the German and Finish market, acquiring sufficient number of respondents was difficult. Also, a time provided for completion of the questionnaire was three days, which might have affected the lower number of responses as well. A larger sample would provide more accurate data and allow to divide the respondents into more significant units as for example individual age groups or respondents' status that would provide interpretation of more outputs which is one of the limitations of this study. Also, as the author did not have a full control over the demographic distribution of the respondents, some age groups, respondents' statuses, or gender in case of Finland prevailed over the others making it another limitation of the study. On the other hand, the target group chosen for this research was quite narrow making it difficult to include all groups evenly. Lastly, as this study chose a quantitative research method, individual numerous results across chosen markets could have been easily compared, however, the reasons behind the results remain mostly unknown, which is another limitation of this study.

To understand the reasons behind individual phenomena, a qualitative research would serve this objective better leaving additional space for further research. In the future, there is scope to conduct a research across yet unexplored markets or compare some of the markets already researched with the unexplored. With ŠKODA operating on a large number of markets, there is still lot of markets left to discover. Also, since this study focused on a niche target group, different target groups can be chosen for another research. Moreover, a study based on similarities and differences between brands instead of markets can be examined as well.

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Appendices

Appendix 1. Survey – Perception of a brand across different markets

Hello everyone,

I am a double degree student of the Prague University of Economics and Business and the University of Vaasa in Finland and I would like to ask for your help in research towards my Master's thesis. The survey is focused on perception of a brand on three different markets (Czech, Germany and Finland) and the target group of the survey are consumers between 18 and 25 years of age. Its completion should not take more than 10 minutes and individual answers are anonymous. Thank you in advance!

Introductory question

1) Are you working/ Did you previously work in the automotive industry marketing department?
    a. Yes □ (if yes, skipping right to the demographic section)
    b. No

Automotive section

1) What car brands could you recall? (Name 5 from top-of-mind in descending order)
    a. ………
2) What features are most important for you when considering a vehicle purchase? (select 5)
    a. Price
    b. Design
    c. Reliability

d. Domestic product
e. Performance
f. Safety
g. Practicality
h. Tradition
i. Fuel economy
j. Approach to the customer
k. Autonomous driving capabilities
l. Electromobility (plug-in hybrid or fully electric)
m. Brand’s responsibility (social, economic, environmental)
n. Infotainment technology and car connectivity (with smart electronic devices)

Brand section

1) How familiar are you with the brand ŠKODA?
    a. Very familiar
    b. Familiar
    c. Little familiar
    d. Never heard of this brand (if not, skipping right to the demographic section)
2) Could you name some of the brand’s models you recall? (at least 3 if possible)
    a. ....
3) If you could describe the brand in your own words (what comes to your mind when thinking about ŠKODA – at least 3)
    a. ....
4) With which features/attributes would you connect the brand with? (select all fitting)
    a. safety
    b. reliability
    c. tradition

d. attractive design
e. customer oriented
f. connectivity
g. electromobility
h. value for money
i. innovation
j. responsibility
k. performance
l. practicality
m. fuel efficiency

5) How do you perceive the ŠKODA cars in terms of pricing?
   a. Scale (Very cheap 1 – 5 Very expensive)
6) How do you perceive the ŠKODA cars in terms of quality?
   a. Scale (Low quality 1 – 5 High quality)
7) Do you know the country of origin of ŠKODA?
   a. Yes: ....
   b. No
8) Did you know that from the 90's ŠKODA belongs to the German concern Volkswagen Group?
   a. Yes
   b. No
9) Does the information of the German ownership change your quality perception of the brand?
   a. Yes, it improves my quality perception of the brand
   b. Yes, it worsens my quality perception of the brand
   c. No, it doesn't change anything for me.
10) Do/Does/Did you/your family member own a ŠKODA car?
   a. Yes, I do/did
   b. Yes, family member does/did
   c. Neither

IF YES:

11) What is your overall impression of owning a ŠKODA?
    a. Scale (Not satisfied at all 1 – 5 Very satisfied with the car)
12) Did you/your family consider any other brands before the purchase? If you did, which ones?
    a. Yes: ………
    b. No
13) Would you/your family member buy a ŠKODA again?
    a. Definitely
    b. Probably yes
    c. Not sure yet. I would have to reconsider my options.
    d. Probably not
    e. Never
14) How likely is it that you would recommend ŠKODA to a friend or a colleague?
    a. Scale (Very unlikely 1 – 5 Very likely)
15) Would you be willing to pay more for a Volkswagen over ŠKODA branded car in the same product class? If yes, how many percent would you be willing to pay extra? (for example: VW Polo over ŠKODA FABIA or VW Passat over ŠKODA SUPERB?)
    a. More than 30%
    b. 23-30%
    c. 16-22%
    d. 8-15%
    e. 1-7%
    f. Not willing to pay more

IF NOT:

16) How likely are you to consider purchasing a car from this brand?
    a. Scale (Very unlikely 1 – 5 Very likely)

ALL:

17) According to your feelings, which car brand provides the best value for money? (from most (1) to least provided value (4))
    a. Seat
    b. ŠKODA
    c. Audi
    d. Volkswagen
18) Do you recall the ŠKODA slogan?
    a. Yes: ....
    b. No
19) Do you recall the ŠKODA logo?
    a. Yes
    b. No
20) Do you know what the company logo stands for?
    a. Bird / rooster symbolizing freedom, speed and predation.
    b. Grouped car components illustrating expertise and harmonization.
    c. A fan illustrating variety, openness but at the same time a secret.
    d. A winged arrow symbolizing above all speed, progress and precision.
    e. Hand gesture illustrating precision and excellent work.
    f. I have no idea.
21) Which ŠKODA sub-brands do you recognize?
    a. Laurin&Klement
    b. iV
    c. RS
    d. Monte Carlo
    e. Sportline
    f. None of the above
22) Are you able to recall any of the ŠKODA marketing campaigns?
    a. Yes
    b. No

Demographic section

1) I am from
    a. Finland
    b. Czech Republic
    c. Germany
2) I am
    a. Male
    b. Female
    c. Other: ………
3) My age is between
    a. 18-19
    b. 20-21
    c. 22-23
    d. 24-25
4) I am
    a. High-school student
    b. Undergraduate (bachelor student)
    c. Graduate (master student)
    d. Full-time employee
    e. Self-employed
    f. Unemployed
    g. Other …

Appendix 2. Comparison of results from studies made on the Czech market

Phenomenon	Analysis of the brand ŠKODA on different markets (Doležal, 2021) – this study	The Brand Building of ŠKODA AUTO a.s. (Poláková, 2017).	Position and perception of ŠKODA on the passenger car market in CZE (Příkopová, 2013)
Brand awareness	Brand recall of 92,6 % within top 5 in automotive industry (76 % within top 3) and 50 % top-of-mind		Brand recall of 80 % within top 3 in automotive industry and 47,3 % top-of-mind
Perceived quality	Ranked 4 out of 5 by most customers	Ranked 4 out of 5 by most customers	
Brand loyalty	27,9 % of respondents stated they or their family members would definitely buy a ŠKODA again and 55,8 % stated to probably buy again resulting in 83,7 % brand loyalty	58 % of the respondents stated they would certainly buy a ŠKODA again and 30% of the respondents stated to consider buying again resulting in 88 % brand loyalty	
Brand associations	Czech/traditional, reliable, lately attractive design, affordable, family car, quality	Czech, traditional, reliable, and quality	Czech, tradition, reliability, quality, safety, practicality, affordable
Customer satisfaction	44,2 % very satisfied and another 41,9 % satisfied with the vehicle resulting	52 % fully met the expectations and another 41,33 % rather	32,1 % of consumers evalutated ŠKODA with mark 1 (best) out of 5

	in customer satisfaction of more than 86 %	fulfilled their expectations resulting in positive expectations of more than 93 %	and 48,2 % with mark 2 resulting in 80,3 % of positive perceptions
Alternatives considered	VW, Ford and Peugeot were the most frequently mentioned alternatives each accounting for 6,9 % and 69,8 % did not consider any other alternatives beside ŠKODA	Ford was the most frequently mentioned alternative accounting for 21,66 % and 19,12 % did not mention any other alternatives beside ŠKODA	Biggest competitors according to consumers' opinions: VW, Ford, Huyndai, Peugeot
Customer relationships	Nobody described ŠKODA as customer friendly by their own words and 33,3 % of respondents linked the brand as customer oriented (however respondents could distribute 5 associations among 13 options)	Only 2% of respondents described the brand in their own words as friendly and 2,67 % associated with its customer relationship as their greatest advantage (consumers could choose 1 association out of 7 only)	
Brand identity	68,5 % of respondents recalled the "Simply clever" slogan and 55,8 % were familiar with the company logo meaning	52,6 % of respondents recalled the "Simply clever" slogan and 86,67 % were familiar with the company logo meaning	

Consumer preferences	Price, design, safety, reliability, performance, practicality,		Safety, performance, operating costs, price, comfort, design

Appendix 3. Comparison of studies between Czech Republic, Germany, Finland, United Kingdom and Poland

Phenomenon examined	**Analysis of the brand ŠKODA on different markets (Doležal, 2021) – this study**			**(Beneke & Rozum, 2018)**
	Czech Republic vs. Germany	**Czech Republic vs. Finland**	**Germany vs. Finland**	**United Kingdom vs. Poland**
Perceived quality	Significant difference	Significant difference	Not significant difference	Not significant difference
Perceived price	Significant difference	Not significant difference	Significant difference	Not significant difference
Purchase intentions	Significant difference	Not significant difference	Not significant difference	Not significant difference
Perceived value	Not significant difference	Not significant difference	Not significant difference	Not significant difference
Country of origin	Significant difference	Significant difference	Not significant difference	Not significant difference