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ABSTRACT

The objective of this research paper is to explore the rise of craft beer in the Czech Republic and the various strategies Pilsner Urquell has responded with. This paper will study the history of the Czech Republic and the beer market to provide a background for the current state of the industry. Various microbreweries will be examined to uncover their competitive advantages and the factors for their growth and success. Furthermore, changes in consumer desires will be examined to further explain the rise of microbreweries. Pilsner Urquell will be studied to explain their domestic success and the steps they have taken to respond to the growth of craft beers and the unique market position taken by microbreweries.

INTRODUCTION

The state of the beer market cannot be fully understood within first examining the history, demographics, cultural dimensions and economy of the Czech Republic. The unique history of the Czech Republic provides an explanation for the myriad of ways in which business is conducted within the region. Furthermore, the growing number of tourists in the Czech Republic contributes to the large beer market. The cultural dimensions illustrate the general attitudes held by Czechs, shaping the way they interact within society and the business world. The growing economy within the Czech Republic offers a further explanation to the state of the beer market as Czech's disposable incomes continue to rise.

CZECH REPUBLIC

The Czech Republic has a rich and unique history dating back to 400 BCE when various tribes beginning with the Celts but closely followed by the Germans and the Slavs originally inhabited the region. Christian missionaries arrived to the lands in the 9th century bringing with them religious teachings and modern writing. Bohemia – a region that today encompasses the western half of the Czech Republic – was under the rule of the Roman Empire from the 9th century until the 19th century. Czechoslovakia was formed from the combination of Czech and Slovak lands following the end of the First World War. During World War Two, Czechoslovakia came under Nazi occupation. Following the defeat of the Nazis, Czechoslovakia fell under communist Soviet rule. After the collapse of the USSR, sovereignty in Czechoslovakia was restored. In 1993, Czechoslovakia was dissolved and the Czech Republic and Slovakia were formed. The Czech Republic joined NATO in 1999 and became a member of the EU in 2004, although they still use their own currency, the Czech Koruna.

Demographics

Despite being a popular destination for foreigners to visit, the majority of the Czech Republic's population is made up by Czechs. Czechs account for roughly 95% of the country's 10.5 million inhabitants, with the remaining 5% comprised of foreigners including Ukrainians, Germans, Poles, and Hungarians. Due to their rich history, unique culture, and low costs, the Czech Republic attracted over 9 million tourists in 2014, a number which has been steadily growing for the past 5 years. The single official language of the Czech

Republic is Czech, with the most common foreign languages being English, German, and Russian. The Czech Republic is one of the most secular countries in the world with the majority of the population not reporting any religious affiliations. Pundits explain that their high degree of secularism is a result of a high degree of nationalism as religious groups were seen as outsiders. Furthermore, this indifference for religious affiliations was amplified during the communist occupation whereby religion was prohibited.

Cultural Dimensions

An evaluation of the Czech Republic using Hofstede's Cultural Dimensions reveals that Czechs are diligent, busy, hard-working people who appreciate precision and punctuality. Despite recent government efforts to reduce inequality within the Czech Republic, they receive a Power Distance score of 57, illustrating that a hierarchical distance still exists. An Individualism score of 58 suggests that Czechs care more about themselves than the collective, albeit not by a sizeable degree. With a Masculinity score of 57, the Czechs dedicate themselves to work, often working 10-hour days. Furthermore, this level of Masculinity suggests that Czechs are motivated, materialistic, and competitive. The highest dimension for the Czech Republic on Hofstede's Cultural Dimensions is uncertainty avoidance, illustrating that Czechs generally do not appreciate change. Hofstede's Cultural Dimensions for the Czech Republic represent the country in an aggregate form; therefore they do not precisely indicate the behavior of each Czech citizen.

Economy

The Czech Republic has an export market economy primarily consisting of their automotive, metal, energy, IT and electronics industries. With a PPP GDP of \$314 Billion USD (IMF 2014) and GDP Per Capita PPP of \$29,925, the Czech economy is one of the strongest and most stable of the post-communist Central European countries. Their economy has been steadily growing since the fall of communism, with a GDP growth rate of 4.4% in August 2015 – the highest in Europe. Following the Velvet Revolution, the Czech Republic's market economy had most of their price controls removed. As the GDP of the Czech Republic grows, the disposable income held by Czechs will also increase, giving the population growing means to be consumers in the beer market.

Beer Market

Beer has a long and rich history in the Czech Republic dating back to the Benedictine Monks who brewed in the Brevnov Monastery in 993CE. Today, the Czech beer market is strong both domestically and internationally. On an annual basis, over 2 million hectoliters of beer is exported out of the Czech Republic. The majority of Czech beer exports are to other European countries, whereby Czech beer accounts for 2.1% of the European beer market. However, beers imported into the Czech Republic have little success representing less than 5% of the market share. Czech beer consumption per capita is amongst the highest world, allowing for a strong domestic market, although this number has declined from 158 to 144 liters per capita, annually. Furthermore, tourists consume 20 million liters of beer annually. Currently, the beer market represents 1.6% of the country's GDP. The Czech Republic is home to over 40 industrial breweries and over 200 microbreweries, the total number of which has doubled since 2005. The majority of beers are brewed in industrial breweries located in Ceske Budejovice, Pilsen, and Prague. The lands of the Czech Republic provide all the necessary traditional ingredients for brewing: water, barley, hops, and yeast. Ingredients from within the Czech Republic account for 90-95% of the raw materials used in the production of Czech beers. Pilsner-style lager represents the majority of Czech beers as the first pilsner was originally brewed in the Czech city of Pilsen. However, the Czech beer market has been changing recently. On-trade sales – sales through bars, restaurants, and hotels – have been declining over the past 4 years with a 4% drop last year. Consequently, there has been a growing trend toward off-trade sales –

sales at stores – as they continue to capture more of the market. Beer festivals have also seen rapid growth whereby attendees can sample from a diverse range of beers. These changes in the economy are driven by younger generations that did not live through communist occupation. A study by Craft Brewing Business Magazine concluded that millennials prefer to purchase beer at off-trade establishments. Younger consumers are also starting to demand a greater variety of choices whereas older consumers still prefer drinking traditional lagers such as Pilsner Urquell in pubs.

PILSNER URQUELL

Pilsner Urquell is the world's original pilsner; adopted by breweries around the world this type of pale lager now represents roughly two thirds of global beer production. Pilsner Urquell was first brewed in Pilsen in 1842 and is still brewed there today. Pilsen has a deep history of brewing as King Wenceslas II gave all citizens of the city the right to brew and sell beer when it was founded. Despite the town's infatuation with beer, a well-received and consistent beer was not being produced. The city council established the "Citizen's Brewery" whereby brew master Josef Groll produced the first Pilsner. The "Citizen's Brewery has had many names throughout its history, today it is the Pilsner Urquell brewery or Plzeňský Prazdroj in Czech. The name "Pilsner" was officially registered in 1859 when European exports began to increase. In 1871, the first Czech pilsner was imported to US, and by 1913 the Citizens Brewery was the largest in Europe, producing 1 million hectoliters per year.

The Beer

Served in bottles, cans, and on tap with a bitterness level of 40 IBU and alcohol by volume of 4.4% the light to medium bodied Pilsner Urquell is made from noble Saaz hops, lager yeast, malted barley, and water. Pilsner Urquell's mild flavour can be attributed to the noble Saaz hops, produced in the Bohemian region of the Czech Republic. Pilsner Urquell also uses local soft water with 50 ppm of dissolved solids drawn from within 4km of the brewery. The golden-coloured beer uses barley from the Bohemian and Moravian regions of the Czech Republic. Pilsner Urquell is produced using a triple decoction mash technique whereby the protein is broken down to produce a slightly darker and stronger pilsner. The beer ferments in large stainless steel fermenters that are each capable of holding 1,800 hectoliters and is lagered in stainless steel tanks for 40 days.

The Brand

As outlined, Pilsner Urquell has a rich history as the original brewers of pilsner. Pilsner Urquell leans on their pioneering narration as the main pillar for their branding. The word "Urquell" is German for "well" and was chosen to illustrate that Pilsner Urquell is the original source of Pilsner. As the Czech Republic values tradition and history, the domestic strategy of illustrating Pilsner Urquell as Czech's original beer is an effective approach. Pilsner Urquell also brands themselves as purveyors of a high-quality product that uses local ingredients, despite most other Czech beers using similar raw materials, and in some cases the same brewery.

Growth

Pilsner Urquell has seen consistent growth in international markets since being acquired by SABMiller in 1999. Exports to Australia increased by 40% in 2012 and the sales in the UK rose by 4% despite a 5.1% decrease in their beer market. SABMiller's 2014-2015 earnings before interest, taxes, and amortization decreased by 1% overall but increased by 6% in Europe in part due to the success of Pilsner Urquell as their other European brands including Gambrinus reported declines in sales. Pilsner Urquell has also

experienced some growth within the Czech Republic, but not on the scale of its international expansion. Currently, Pilsner Urquell is offered in 56 countries.

CRAFT BEERS

Craft beers have seen global growth since the 1980's but the worldwide trend has only recently reached the Czech Republic. Craft beers are those produced in small quantities by microbreweries and often differentiate themselves with high-quality ingredients, unique flavours, and contemporary branding. The Czech Republic was under communist control until the early 1990's during which time the few major breweries were under state control. Furthermore, while under Soviet rule, owning one's business or microbrewery – defined as a brewery with a capacity of 10,000 hectoliters or less – was prohibited. Communist attitudes inhibited the Czech's entrepreneurial spirits, the effect of which was still felt after the collapse of the Soviet Union. Furthermore, after the fall of communism the previously state-owned breweries were acquired leading to even fewer breweries. There was little growth in the number of Czech breweries until 2001 during which time there were only 60 in the country. Today, there are over 250 breweries with new ones being opened almost every month. Many old breweries that were abandoned during the communist rule, were left intact and have recently been renovated and revamped by microbreweries. The demand for craft beer within the Czech has been growing to such an extent that many producers are unable to supply enough beer. Dan Kuntz, co-owner of Unetice says the heightened demand has afforded them the privilege of being selective with which establishments to offer their beer to, a tool used by Unetice for branding.

The Rise

Craft beer in the Czech Republic has been recently experiencing a significant boom. Last year, overall production of microbreweries grew by 30% and is expected to continue. Globally, craft beers rise can be attributed to customers wanting a more high quality or unique product and wanting a more intimate or contemporary beer drinking experiences. Many craft beers use unique flavours and ingredients to differentiate themselves from big beer companies. Furthermore, microbreweries often offer a trendy alternative environment to experience their products. The expatriate beer enthusiast and writer Evan Reil states that while large Czech breweries produce "incredibly high-quality products" they are brewed to appeal to the masses, meaning they are "not too aromatic, not too bitter, not too strong, [and with] not too much character" as opposed to craft beers which can afford to take a more unique approach due to their smaller scale (Prague Post, 2013). With this small scale comes the ability to partner with other small business that may have been overseen by large breweries or which may not have been interested in partnering with large companies. Czech beer writer and enthusiast Max Bahnson believes that craft beers are tapping into a new market in the Czech Republic that was previously unreached by offering beers in independent cafés, theatres, galleries and other trendy places. Czechs have a nationalist pride in their beer, and when the traditional Czech beers such as Pilsner Urquell, Krusovice, and Staropramen began being acquired by multinational corporations some Czechs felt that they had lost their authenticity. Jan Martasak, co-founder of Czech microbrewery Two Tales states that drinking beer in the Czech Republic is a point of Czech pride, which is no longer offered by the big breweries that were acquired by foreign companies. Craft beers are able to distinguish themselves from large-scale Czech breweries on a product level by being more authentically Czech, and by offering more unique products. Czech microbreweries can be seen as more authentic as they are owned and operated by Czech but also because some of these microbreweries have historical relevance that rivals that of traditional Czech beers. Czech microbreweries can also offer products apart from the traditional pilsner, such as IPAs, flavoured beers, and stouts.

Microbreweries also can offer a contemporary, alternative to drinking beer at a pub or buying beer from a supermarket.

Microbreweries

Many of the Czech Republic's leading microbreweries have history that dates back to before Pilsner Urquell and other large Czech beer brands. Those without a deep history, rely on high-quality ingredients or unique flavours to compete with big breweries. Klasterni Pivovar is a microbrewery in Prague that was originally a monastery founded in 1140. The brewery was built in 1628 but closed in 1907. It was renovated and reopened in 2000 now advertises a notable history that rivals Pilsner Urquell. The microbrewery uses the traditional ingredients of water, malt, hops to offer mostly unfiltered 6% and 7% ABV beers with one made using wheat malt. Novomestky Pivovar was founded in 1993 and uses only traditional Czech ingredients to produce their unfiltered beer. The microbrewery distinguishes themselves primarily in their service, offering a contemporary space with excellent service and small beverage tastings. Novomestky Pivovar also recently began production of flavoured beers. Pivovar Narodni is one of the newcomers to the microbrewery scene in Prague having opened earlier this year. This microbrewery also uses only water, malt, hops, and yeast to produce their beers. Pivovar Narodni's most popular beer is a pilsner similar to that offered by Pilsner Urquell. However, they offer a hip place with friendly service, a non-smoking section, and trendy food. Two Tales Brewing was founded in 2012 and uses an active social media presence to promote their flavoured alternatives to pilsner in Czech and in English. U Fleku is one of the oldest breweries in Central Europe dating back to 1499. The brewery was nationalized during the communist rule, but is not in the hands of a Czech brewmaster. U Fleku positions itself as one of Czech's original breweries, now offering a myriad of beers including a dark lager made with four different types of barley malt. Pivovar Clock is another recently opened microbrewery in the Czech Republic. The brewery solely uses water, malt, hops, and yeast, however they import hops from around the world, primarily the UK, USA, and Australia to produce difference craft beers including IPAs, dark lagers and stouts. Vinohradsky Pivovar is another iconic microbrewery that was founded in 1893 that markets their historic Czech past. The brewery underwent major renovations in 2013 and now offers stronger, hoppier alternatives to traditional pilsner. Pivovar Antos opened in 2010, despite not having a rich history, the microbrewery still attempts to brand themselves with tradition. Pivovar Antos takes its name from Ondrej Antos who brewed beer in the same building in 1518. The craft brewery uses traditional Czech ingredients to offer unfiltered and unpasteurized beers. Pivovar Matuska is owned and operated by a Czech family and is the most awarded microbrewery in the Czech Republic. Although their beers use water, malt, hops, and yeast all from the Czech Republic, they distinguish themselves with an alternative decoction mash process to offer stronger and darker alternatives to pilsner. Currently, microbreweries hold 2-5% of the beer market share in the Czech Republic. Although as Czech craft breweries continue to distinguish themselves through authentic Czech branding, unique products, and contemporary experiences that number is expected to grow. Czech-Moravian Association of Small Brewers leader Jan Suran believes that there is room for at least 400 microbreweries in the Czech Republic.

Czech microbreweries are targeting the traditional beer market by branding themselves as historic Czech breweries offering high-quality pilsners. Additionally, Czech craft breweries are also targeting those who are seeking an alternative to drinking traditional pilsner in a Czech bar and who would be willing to pay a little more for it. An increase in beer revenue with a decrease in beer consumption in the Czech Republic demonstrates that the population is less concerned with the quantity and price of their beer and more concerned with quality. In a small survey sent to 42 of my fellow exchange students, 40% of respondents who drank eight or more beers a week reported basing their purchases on low cost, with 0% of them

regularly purchasing craft beer, and only 20% of them stating that they prefer craft beers. However, of those respondents who drank 4-7 beers a week, 67% said they prefer craft beers to macro beers with most citing taste and experience as the reason for their preference (Figure 4). Among those who are willing pay more for an enjoyable beer are women – a demographic historically ignored in the beer market. The Chief Economist of the Brewers Association Dr. Bart Watson states that women consume an above-average amount of craft beer and represent 15% of the total consumption in the US. While these statistics are for the USA, microbreweries are taking steps to appeal to the female demographic through flavoured and lighter beers in addition to aesthetically pleasing spaces.

PILSNER URQUELL'S RESPONSE

Pilsner Urquell has implemented several strategies to respond to the rise of craft beer in the Czech Republic. Following SABMiller's acquisition of the brand, they invested \$50 million into marketing for Pilsner Urquell, with a further investment of \$11 million USD in 2015. A tactic executed through multiple approaches is to make Pilsner Urquell the easiest choice through availability. In many supermarkets and stores, Pilsner Urquell will occupy eye-level shelves with plenty of inventory. As the total demand for Pilsner Urquell is far greater than that of any craft beer, stores will fill their shelves with high volumes of Pilsner Urquell. Furthermore, Pilsner Urquell will pay shelving fees to some stores to have their product placed in the most desired locations. However, a by Craft Brewing Business Magazine concluded that 73% of craft beer drinkers know which brand they are going to purchase before entering the store (Figure 3). Pilsner Urquell will also outfits bars and restaurants with everything needed to serve beer including keg systems, glasses, and prominent signage. In exchange these on-trade establishments will agree to offer no other beer than Pilsner Urquell. In my conducted survey, respondents were asked to comment on why they purchased Pilsner Urquell; most responses pertained to ease of availability. Pilsner Urquell is also able to beat the price of most craft beers as they can exploit economies of scale. At on and off-trade establishments where multiple beers are offered, Pilsner Urquell is usually amongst the lowest. However, there is evidence to suggest that attempting to respond to craft beers on the basis of price is an ineffective tactic as microbreweries customers are willing to pay a higher price. When the Czech government increased the beer tax in 2010 macrobreweries whereas microbreweries continued to gain momentum. In a study published by the Czech Journal of Economics and Management Vratislav Kozak stated that this tax was the most frequent response when macrobreweries were asked to explain the decline in beer consumption in the Czech Republic (Figure 1). However, the low-price of Pilsner Urquell does not come at the expense of quality. Pilsner Urquell is an internationally awarded beer made with some of the highest quality ingredients; a significant portion of comments in my conducted survey cited their reasons for selecting Pilsner Urquell as taste and quality. Through high quality brewing, cost-control measures, and distribution agreements, Pilsner Urquell is able to make a commendable and competitively priced beer that is conveniently available.

Pilsner Urquell has also recognized the desire for unpasteurized beer and has adopted a strategy to offer it in on-trade establishments. As noted above, several microbreweries are able to offer unpasteurized – free of preservatives – because they are selling beer within a shorter time frame as they are selling much at the source or within their municipality with little international shipping. Pilsner Urquell on the other hand is shipped around the world as must be made to have a shelf life too long for it to be unpasteurized. However, realizing the demand and appeal of unpasteurized beer, Pilsner Urquell has been offering to ship tanks of unpasteurized beer to certain on-trade establishments. In addition to this strategy offering a product to combat microbreweries in the high-quality market, SABMiller also reported in their 2015 annual report that such tanks “enhance the reputation of draught beer” (SABMiller, 2015).

Marketing

Pilsner Urquell has also responded to the growth of microbreweries through thoughtfully constructed marketing and branding strategies. The paramount tool used for branding Pilsner Urquell is their originality. On every bottle or can of pilsner is the slogan “The Original Pilsner”. Pilsner Urquell has advertisements targeting both similar traditional pilsner as well as more trendy flavoured beers. Pilsner Urquell has further targeted other purveyors of pilsner through a marketing effort that displayed billboards with Pilsner Urquell and the caption “Copied But Never Equaled”. A similar advertisement was conducted to target more trendy flavoured beers whereby the caption was “No Lemon, No Cranberry, No Bullshit”. In addition to boasting their originality and tradition through advertisements, Pilsner Urquell also thoughtfully selects how their beer is presented. Taps, glassware, signage and other products provided to on-trade establishments to serve and promote Pilsner Urquell are meticulously designed to corroborate with their historical theme of originality. Pilsner Urquell also offers bartending courses instructing on-trade employees on how to properly pour the beer as well as educating them on its distinguishing qualities.

In an effort to foster their domestic reputation as a historic Czech beer within the Czech community, Pilsner Urquell has adopted several strategies to illustrate their place in the Czech culture. Pilsner Urquell has partnered with various community events and cultural centers to exemplify their celebrated significance within the Czech Republic. The Pilsner Brew Off is an interactive experience led by Pilsner Urquell whereby beer enthusiasts, and influential member of the media are invited to craft and sample their own beers learning the process of how pilsners are made and a few distinguished techniques used by Pilsner Urquell. Pilsner Urquell also sponsors Pilsen Fest, a Czech beer festival. During this festival Pilsner celebrates their historic traditions with traditional music, and cultural activities as well as an educational look into how the beer is crafted. Pilsner Urquell also has a partnership with National Theatre in Prague, whereby a historical look into the brewery is featured. The macro beer has also attached themselves to significant parts of Czech culture through advertisements. A Czech television advertisement by Pilsner Urquell features famous Czech composer Bedrich Smetana using the beer a muse to compose Vltava song. Microbreweries in the Czech Republic are adept at positioning themselves as positive members of an authentic Czech community. Pilsner Urquell looks to partner with influential piece of Czech culture to regain their footholds as a significant part of Czech society.

Many craft breweries have trendy, fun, and engaging digital experiences. The majority of the microbreweries listed above have interactive websites and active social media presences and cooperate with local media in a mutually beneficial fashion. Aware of the growing importance of a social online presence, Pilsner Urquell contracted an American media-marketing agency in 2013. Concept Bakery provided Pilsner Urquell with a digital facelift to bring the brewery’s digital presence into the modern age. The marketing agency created an all new interactive one-page design website for Pilsner Urquell that seamlessly scaled to mobile as well as reconstructing their social media presence through all new brand pages. A recent study by Craft Brewing Business magazine suggests that a paramount demographic for microbreweries is the younger generation, as 49% of millennials and 40% of Generation X’ers find craft beer appealing compared to 29% of Baby Boomers and 22 percent of the Swing Generation (Figure 4). Through revamping their digital presence Pilsner Urquell is looking to engage a younger, more tech-savvy demographic who are also potential customers for craft beer.

Despite the frequency of references to Pilsner Urquell’s history in the brewery’s marketing efforts, Pilsner Urquell may be shifting their focus. Pilsner Urquell’s marketing manager Eoin Cannon stated that they

were too focused on advertising their history and needed to also promote the beer itself. However, Pilsner Urquell is an internationally available beer therefore Cannon's comments address the beer's global strategy. Speaking with a brand manager at Pilsner Urquell, Lenka Tenglerova stated that their positioning strategies abroad and in the Czech Republic are quite different. Despite this, Pilsner Urquell has recently begun attempting to work with local beer enthusiasts, bloggers, and members of the media to showcase the merits of the famous pilsner.

CONCLUSION

Craft beers have competitively differentiated themselves from large Czech beers such as Pilsner Urquell on the basis of tradition, uniqueness, and experience. Many microbreweries within the Czech Republic have a rich history that can be branded to rival that of Pilsner Urquell. Furthermore, as vast majority of microbreweries within the Czech Republic are owned and operated by Czech, they can be advertised as being authentic alternatives to the big beer brands that have been acquired by multinational corporations. Macrobreweries produce beer at such an enormous scale that their product must be appealing to the masses. Craft beers are produced in small batches allowing them to experiment with unique beers that need only appeal to a niche market. Large Czech beer brands such as Pilsner Urquell deliver their beer through an established supply chain consisting of conventional on and off-trade businesses. Craft beers have differentiated themselves by offering contemporary, interactive, and exciting atmospheres to enjoy their products, and have partnered with trendy establishments that offer the same setting to deliver novel and enjoyable experiences alongside their products. Furthermore, microbreweries have adopted strategies to provide a fresh and interactive experience even for those who purchase their products through off-trade establishments with the use of modern digital and social media presences.

Pilsner Urquell has adopted several strategies to respond to the rise of microbreweries and the growing market that is demanding unique yet traditional products corroborated by contemporary experiences. Through shelf-space domination and partnerships with bars and restaurants, Pilsner Urquell has sought to make their beer the easiest to purchase at on and off-trade locations. Pilsner Urquell is competitively priced at a level below most craft beers, allowing them to further position themselves as the easiest choice. As microbreweries are relatively new to the beer market, Pilsner Urquell has leaned on their history as the original purveyors of pilsner throughout their various branding efforts. To appeal to an emerging market with variable tastes, craft beers have offered distinctively flavoured products. Pilsner Urquell has strategically targeted these trends by marketing their beer as unornate and traditional. Microbreweries are often aware of the growing desire for consumers connect in a digital space and have taken steps to provide engaging and easy-to use platforms for such purposes. Lagging behind in regards to a digital presence, Pilsner Urquell contracted an American marketing agency to revamp their online presence through a new website and social media profile. Pilsner Urquell has responded to the rise of craft breweries and changes in Czech consumer behavior through various advertising and branding strategies to market their original pilsner to a shifting populace while retaining their historical brand image in the process.

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APPENDIX

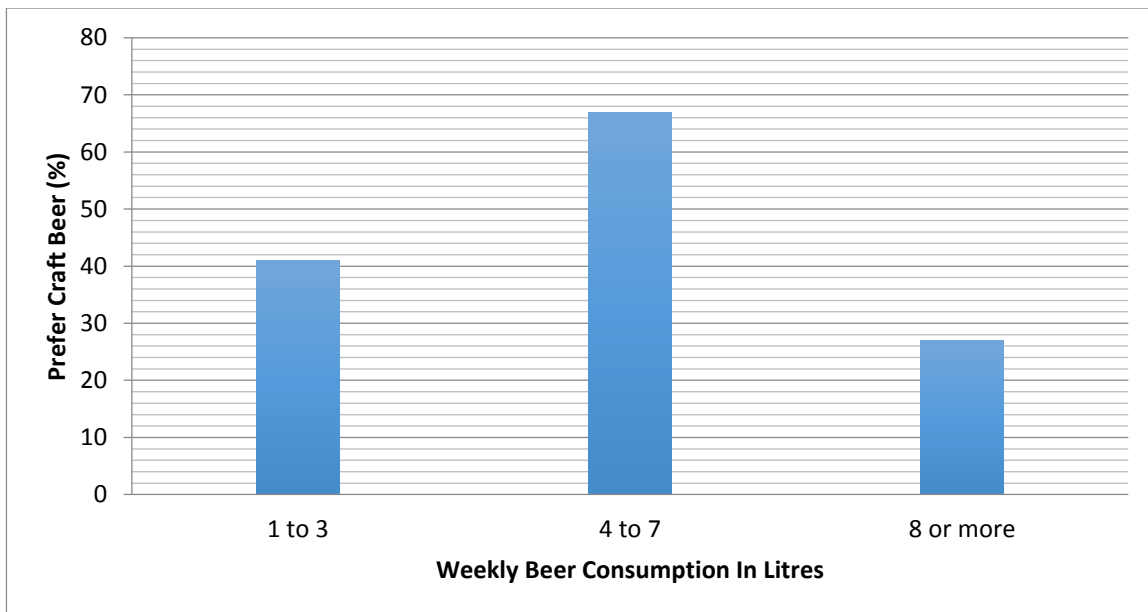
Figure 1: Breweries Reasons for Declining Czech Beer Market. Source: Kozak

Tab. 1: Rankings of Reasons Influencing Beer Consumption Drop in the Czech Republic

Reason/importance ranking	1	2	3	4	5	6	7	8	9	Sum of multiples
1. Excise tax increase	35	6								47
2. Alcohol checks in the workplace	3	28	10					1		89
3. Decline of beer consumption in young generation	3		28		3		4			130
4. Obligatory military service cancelling		4		27	10					166
5. Foreign tourists number drop		2	1	5	23	5	4	1		208
6. Breweries owners' efforts to maximize their profits		1	1		2	22	11	3	1	257
7. Export price-policy					4	9	14	9	5	289
8. Marketing concentrated on males			1		1	2	5	21	11	322
9. Euro-beer						3	7	7	24	661
Check sum	41	41	41	41	41	41	41	41	41	2 169

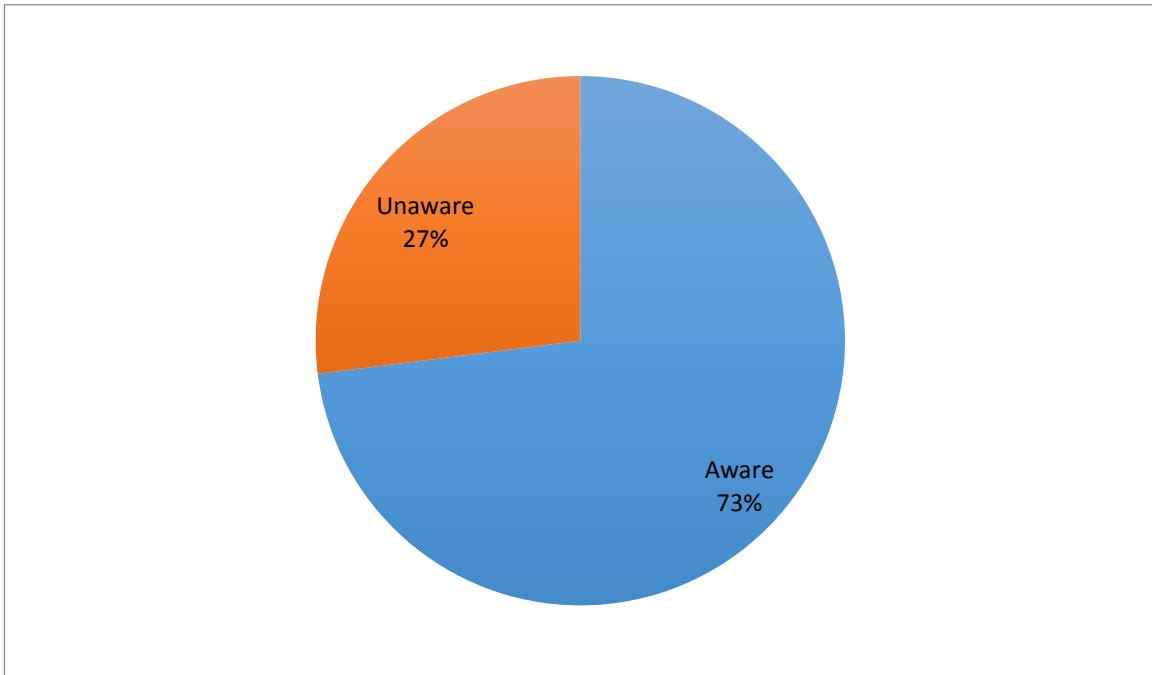
Source: Kozak

Figure 2: Preference of Craft Beers by Beer Consumption.



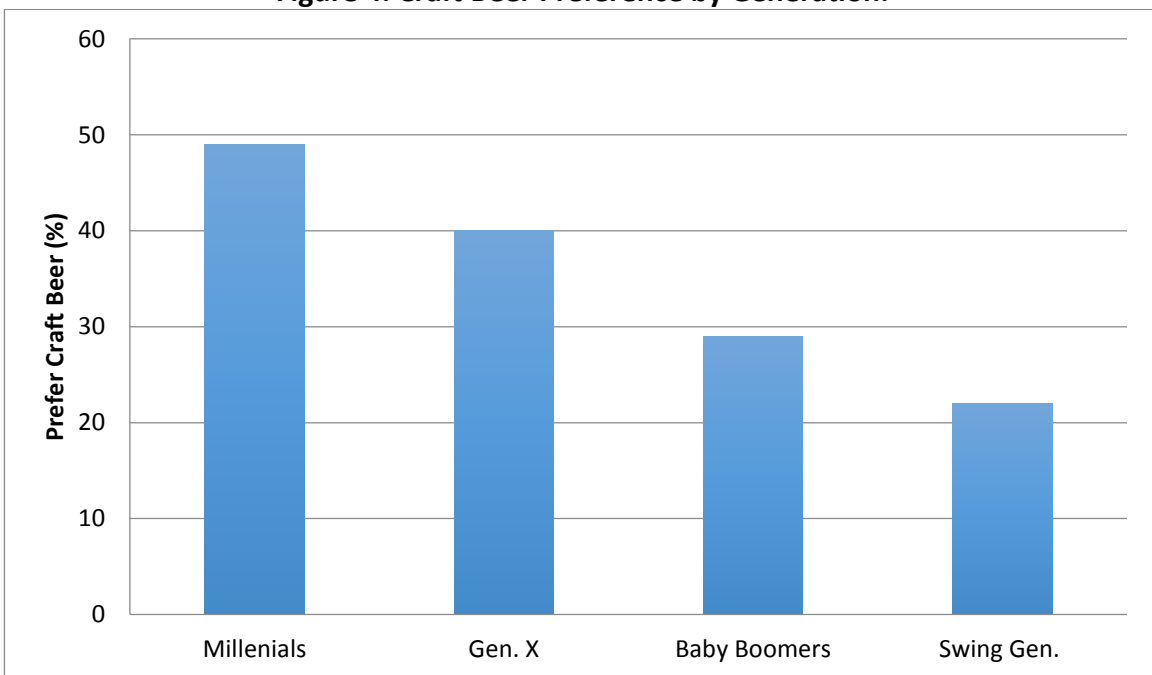
Source: Bowen Macy

Figure 3: Customers Aware of their Beer Purchase Before Entire Store.



Source: Craft Brewing Business Magazine

Figure 4: Craft Beer Preference by Generation.



Source: Craft Brewing Business Magazine