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BRANDING STRATEGY OF COMPANY FOR THE CZECH MARKET ENTRY
BRANDING STRATEGY OF COMPANY FOR THE CZECH MARKET ENTRY

MASTER'S THESIS
DIPLOMOVÁ PRÁCE

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Charakteristika problematiky úkolu:

Introduction
Goals of Thesis and Methods
Theoretical Review of Problem
Analysis of Contemporary Situation
Proposal for Solution
Conclusion
References
Appendixes

Základní literární prameny:

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ABSTRACT

Master's thesis is focused on Branding Strategy of Virtika company for the Czech Market Entry. In order to achieve this target author reviewed literature sources which are focused on Ko Floor methodology of branding and Brand Prizm concept. In analytical part is analysed environment of the Czech market, outerwear industry, key competitors, and brand perception of customers. These analyses helped the author to identify future brand positioning on the Czech market. Based on results of the analyses author made a proposal of the solution towards entry strategy and increasing competitiveness on the Czech market.

ABSTRAKT

Diplomová práce je zaměřena vstupní strategii značky Virtika na český trh. Za účelem dosažení tohoto cíle author zkoumal literaturu zaměřenou na metodiku značky od Ko Floora a koncept Brand Prizm. V analytické části byly provedeny analýzy prostředí Českého trhu, analýza odvětví, klíčových konkurentů a vnímání značky zakazníky. Tyto analýzy pomohly autorovi identifikova budoucí pozici značky na Českém trhu. Na základě výsledků analýz, autor vytvořil návrh řešení vstupní strategie značky and zvýšení její konkurence schopnosti na Českém trhu.

KEYWORDS

brand, entrance strategy, branding, brand positioning, brand personality, brand communication, brand identity, brand development, increase competitiveness

KLÍČOVÁ SLOVA

značka, vstupní strategie, branding, pozice značky, osobnost značky, komunikace značky, identita značky, rozvoj značky, zvýšení konkurence schopnosti

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I declare that this master's thesis is authentic, originated entirely by me myself. Information derived from published sources has been acknowledged in the text and are referenced in the list of references. I also declare that I did not breach any copyright in sense of Act. No. 121/200 Coll. on Copyright Law and Rights Related to Copyright and on amendment of Certain Legislative Acts.

Rosice, 24 June 2018

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Bc. Michal Šoukal

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Content

1 Introduction

In past several decades international trade came through several changes. Due to fast development of technologies, increasing speed of transport and more accessible information from the whole world. Today's customer is able to choose desire products from huge supply. Therefore, pressure on quality, price and other aspects of products increasing and usually it is not enough to persuade customer to buy certain product. High level of competition which is between producers from the whole world push them into sustaining development of products and finding ways how attract customers and gain competitive advantage.

With boom of globalisations and trends connected to it growth need of marketing and commercial. In many cases it is not enough. Huge companies find out that effective way how to hold customers in long-time period is build up a relationship with customers and give their brand certain positioning, personality and type of communication. Due to this fact rapid growth of branding was detected. Branding brings all these aspect with several benefits when it is done right. Strong relationship with customer helps you to sell him the product, increasing awareness and customer is not really price sensitive.

Outerwear freeskiing and snowboarding industry is not an exception, in this industry brand image is one of the most important things to succeed. Products are mostly really similar with similar functions, difference of price is small, providing extra services is really expensive. Therefore, these companies have to develop strong relationship with customer and to keep him for the next visit of their store.

One of those companies is Virtika which currently operates on the USA market and seek to penetrate Czech market. Company is focused on the freeskiing and snowboarding outerwear and its products are really popular on the USA market. For successful entrance to the Czech market need frame of branding strategy which helps to build up brand identity and help to create relationship with customer and increase brand awareness.

2 Objectives and Methodology

Master thesis is address to the subject of brand management. The primary goal of dissertation is develop frame branding strategy of entrance Virtika Company to Czech market.

In order to achieve the main goal of the dissertation author will focus on partial goals which he purposed by himself. Partial goals are:

- Define theoretical background of branding, concepts and theory connected to branding and building branding strategy.
- Analyse a current branding strategy of Virtika on existing markets and define its strengths and weaknesses and points where the strategy could be improved.
- Analyse Czech market, which trends are common and which are typical for local markets and brands which operate on the market.
- Based on analyses, author develops purpose of branding strategy suitable for Czech market and strong to stand against local competitors.

Dissertation is divided into three parts. First part is focused on theoretical background of dissertation. Author will pay attention mainly to branding strategy, positioning of brand, brand communication and specific branding techniques in action sports. Author will use books, academic articles and internet sources to find out the most suitable information and theories for the purpose of the dissertation.

Second part is an analytical. In this part author will analyse current branding strategy of Virtika Company on USA market which is company´s home market. Author will identify brand identity, brand positioning, added value of the brand, persona and other important aspect which are related to current branding strategy. In next step author define aspects of Czech market and recognise key success factors on the Czech market. Then author identify and analyse the most significant brands on the Czech market and their branding strategy. The whole analysis complete questionnaire focused on customer's perception of brands on snowboard/freeski market. In last fragment of analytical part the author

evaluates possibility of using current pieces of branding strategy on Czech market. In the last part, author will develop branding strategy suitable for Czech market.

Methodology of the dissertation corresponds with objectives of the dissertation. Author use mainly secondary data. Primary data are used only in case of questionnaire. All sources are referenced in chapter References and author uses Harvard referencing style. During the process of writing dissertation some steps will be discussed with the grant of the dissertation doc. Ing. Robert Zich, Ph.D.

3 Theoretical part

3.1 Brand

The Cambridge Dictionary (Dictionary.cambridge.org, 2018) defines a brand as the act of giving a company a particular design or symbol in order to advertise its products and services. The similar but comprehensive definition provides The American Marketing Association (Ama.org, 2018) which describe the brand as a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

A brand is thus a product or service that adds dimensions that differentiate it in some way from other products or services designed to satisfy the same need. These differences may be functional, rational or tangible-related to product performance of the brand. They may also be more symbolic, emotional or intangible-related to what the brand represents (Kotler and Keller, 2007). The legal term for the brand is a trademark. A brand may identify one item, family of items, or all items of that seller. If used for a firm as a whole, the preferred term is a trade name. Despite this few issues still remains unclear with the definition brand as a logo (Maurya, 2012).

3.1.1 Brand Equity

According to Kotler and Keller (2007), brand equity is the added value imparted to products or services. This value may be reflected in how consumers think, feel, and act with respect to the brand, as well as the price, market share, profitability that the brand commands for the firm. Brand equity is an important intangible asset that has psychological and financial value for the company.

Various perspectives are used for studying the brand equity. Customers based approach view brand equity from the perspective of the consumer-either an individual or an organization. The principle of customer-based brand equity models is that the power of a brand lies in what customers have seen, read, heard, learned, though, and felt about the brand over time. Easy said the power of a brand lies in the minds of potential or existing

customers and what they have experienced directly and indirectly about the brand (Aaker, 2003).

Customer-based brand equity is defined as the differential effect that brand knowledge has on customer response to the marketing of the brand. A brand is said to have positive customer-based equity when consumers react more favorably to a product and the way it is marketed when the brand is identified as compared to when it is not. A brand is said to have negative customer-based equity if consumers react less favorably to marketing activity for the brand under the same circumstances (Keller, 1993).

There are three main elements of this definition. In the first step, brand equity rises from difference response of customer. If no differences occur then the brand name product can essentially be classified as a commodity or generic version of the product. Competition would then be based on price. Second, these differences in response are a result of consumer´s knowledge about the brand. Brand knowledge contains all the images, experiences, feelings, thoughts, and beliefs etc. that become associated with the brand. Generally, brands must create favorable, strong and unique brand associations connected to customers. Third, the differential response by consumers that makes up the brand equity is reflected in perception, preferences and behaviour related to all aspects of the marketing of a brand such as greater loyalty, larger margins, less vulnerability to marketing actions, improved perception of product performance, more inelastic consumer response to price increase, greater trade cooperation and support (Keller, 1993).

3.1.2   Branding

It's the process of strategizing what you want your brand to be, making decisions that support your brand objective, and implementing the many components throughout your company that achieve that objective. The process, when done correctly, should be an impartially time-consuming thing. For most small businesses, count on the help of a branding professional can not only make this a much stress-free project to take on but will make your branding struggles hit the mark with greater precision, yielding far better results. Understanding the emotional implications of every detail of your business's image is a thing that comes naturally to these people. This quality, mixed with lots of

experiencing carrying brands into the public market, makes them a powerful professional ally have (Newtek, 2013).

According to Luminosity (2016) which defines branding as a process of creating, maintaining, strengthening or changing a brand. This powerful and sustainable marketing strategy we use for influencing and managing way how people see and respond to your brand, and thereby influence their buying decision. This prosecco is made by creating of a sympathy or excitement connection with the consumer, providing a proof for paying a premium price for a product or service, creating loyal customers to product or company and demonstrating the quality of the product and its benefits.

3.1.3 Brand Management

Brand management is all processes which cover all activities related to branding concept with characteristic value to products and services. These could be identified by name and other proprietary signs such as logo and symbols (Keller,2011). Nowadays is really hard to sustain brand development due to increasing competition. Therefore managers should keep an eye on these steps which supposed to be useful:

- Protection of brand. There are several types which can be used for brand protection. Most common is trademark, copyrights or paten. Trademark protects endowment for the protection of an exact brand corporate names, smells, logo and company colors, the shape of packing and other things which belongs to brand. This protects subject of fee and any other who would abuse anything from the ownership of the brand has to ask for the usage rule of the owner. Pattern protect product for the specific time period. This time period is up to 20 years and the product is protected by its invention or non-obvious idea. Copyrights usually protect artworks up to 50 years after the death of the original author (Clifton, 2010).

- Respect stakeholders. Customers want attractive, beautiful, functional, and high-quality product or service which fulfill their criteria of the perfect product but at the same time they want a reasonable price. Then employees want to work for a company which is successful with growth potential with carer potential. Then and their shareholders expect a well-driven company with clear structure committed

to accelerating shareholders value. Business partners expect to be treat with respect and seek fairness. Board of company leaders wants innovation of product, more precise processes with higher performance (Clifton, 2010).

- The brand is an investment, not a cost. It is important to understand that brand is one of the most important assets that company has. Well-established, strong brand can support business even in difficult times when other companies do not profit. But reaching this point brings investments into advertising, marketing, and new products. All these steps increase brand attractiveness and bring relevancy which brand must have (Clifton, 2010).

- Exploit financial potential of the brand. As well as seeking ways to extend the brand through new product development, businesses should look at chances to exploit the equity in their brands through co-branding, licensing and franchising. Co-branding can be a highly lucrative method of entering new markets and geographical areas; the art is in finding a suitably well-matched partner. Licensing is the granting of a right to use a brand in relation to similar goods or services. However, the licensor must remember control over the quality of the goods and services produced by the licensee and marketed under the brand. Franchising is the granting of a right to a number of licensees in different geographical areas to use the brand together with a business system developed by the licensor (this practice is common in fast foods, print shops, florists and so on). Co-branding, licensing and franchising can be highly lucrative ways of exploiting a brand, broadening its exposure and enhancing its message (Clifton, 2010).

- Brand management is a complete task. Nowadays brand management requires skills typical for marketing such as making research, ability to brief advertising agencies and designers, be I touch with distribution and sales. Brand managers have to be experienced in all these areas but also need to know how a brand can positively influence stakeholder's value. To manage all this manager must understand internal communication in the company, financial terms and brand contribute to the success of a business (Clifton, 2010).

3.2 Brand Identity

Brand identity is every part of the brand together. The unique characteristic which is typical of the brand and creates a distinguished product. It is a way how company seeks to be identified itself and how organization persuades a market to purchase its products. Through branding and marketing strategies organization communicates with consumers. The company is unique due to its brand. Brand identity includes components name, brand vision, positioning personality, relationships, brand culture, and presentations (Juneja, 2018).

Lake (2017) defines brand identity as a message to consumers which receive from the product, person or thing. This recognition makes the brand identity. The purpose is set guidelines and consistency. Whether the product is a person, image, or an item, consistency exhibits, product leadership, marketing, support, and operation. Consistency in brand identity projects the corporate culture that settings the product.

Juneja (2018) sees brand identity as a promise which company makes to the consumer. The brand can be perceived as a product, a personality, a set of values, and a position it occupies in consumer's minds. Brand identity is everything that companies want to consider as its part. It is a feature linked to a specific company, product, service or individual. It is a way of externally expressing a brand to the world.

According to Wheeler (2017), brand identity is tangible and appeals to the senses. You can see it, touch it, hold it, and watch it move. Brand identity fuels recognition amplifies differentiation and makes big ideas and meaning accessible. This includes feelings, thinking, and expectations of the target market. This enables to distinguish an organization from another. An organization has a unique brand identity which improves brand awareness, motivate a team of employees who feel proud working in a well-branded organization. Brand identity leads to brand loyalty, brand preference, high credibility, good prices and good financial returns. It helps the organization to express to the customers and the target market the kind of organization it is. It establishes an immediate connection between the organization and consumers. Brand identity should be

sustainable. It establishes an immediate connection between the organization and consumers. Brand identity should be sustainable.

3.2.1 Brand Prism

The concept of Brand Prism was developed by J. N. Kapferer. It is a tool which helps to discover and project brand identity and enable to shape the framework of the brand perception and image. Nowadays is this model bountifully used due to its simplicity and easy interpretation and understandability. Due to its simplicity of this tool is possible to use it across different legs of execution such as in-store branding, outdoor, packaging, digital etc. (Brandmanagernotes, 2014)

According to Martin (2017) Kapfer Brand Identity Prism efforts to make a map or diagram of the brand. This technique sets out a number of extricating criteria which together create the face of the brand, based on the ways in which these experiences and perceptions are formed. Kapferer's model helps to identify distinguishing features of a person help us to identify six distinguishing features which Kapferer determined. These features are Physique, Personality, Relationship, Culture, Reflection, and Self-image.

Brand prism by itself helps to create the message from the sender (marketer) to the Recipient (customer). The other parts of the prism define the level of internalization or externalization of the activities. Brand Prism is shown in **Figure 1** (Brandmanagernotes, 2014).
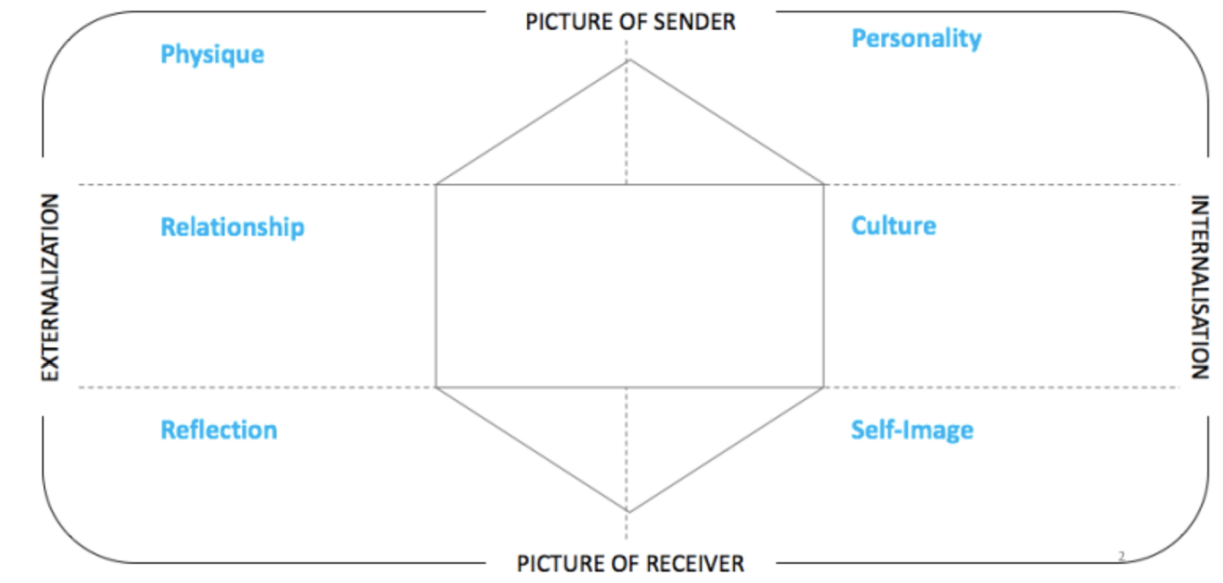
Figure 1- Kapferer's Brand Identity Prism, (Source: Hobson 2017)

For any brand which wants to succeed is really important to harmonize all these elements. In final physique, personality, relationship, culture, reflection, and self-image create a coherent image of the whole brand. These elements are more take in depth below:

- Physique- is a basic characteristic which is typical characteristic of product or service which is being sold under the brand name. In the case of a physical product, the physique could be things like e.g. packaging, logo, functional differentiating features, product shapes, etc. Successful brands usually have genuinely element which is typical for recognition of the brand. This element could be color typical for product, shape or small but distinct.

- Personality- arises with communication of the brand and builds up the character of the brand. In the manner of presenting its products or services shows what kind of person-brand would be as a human. Therefore brands hire famous personalities which anchor personality of the brand. These spoke-persons, celebrities or ambassador have to be chosen carefully with a similar personality as the brand has.

- Culture- is an element which may be deeply rooted in local culture. On a large scale, this cultural effect could be seen on a national level, such as brands that are proud to be part of some nation or smaller brands, part of the geographical region. Thanks to this element are culture value transferred into products. It can

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be a powerful emotional tie to associate your brand with a specific geographical area and culture, as people who connect with that culture will feel compelled to patronize your brand.

- Relationship- one of the most important things is build up a strong relationship with customers. When customers can associate themselves with the brand in a way which is more noteworthy than just making a purchase they probably come back again. Building a relationship is a long run process but it is worth it because it certainly is a powerful way to build a lasting brand name.
- Reflection- this element should reflect personality, typical attitudes of groups or segments to which is brand focused. As an example when someone sees Volvo car can surmise that owner is a university professor or a doctor because of reflection Volvo customers.
- Self-image- this element reflects customer in a mirror how he or she would like to see himself or herself. Through our attitude towards certain brands, we indeed develop a certain type of inner relationship with ourselves. And therefore, these brands always communicate to push the limits (Srivastava, 2017).

3.3   Brand architecture

Different academic sources define brand architecture in several ways. Authors build definitions on their research and therefore it can be seen differently. Kapferer (2008) defines brand architecture as a branding strategy. It may be ideal or may lead to losses of effectiveness, even to paralysis. In any case, what is expected is a coherent and well-founded reaction, even if it must change as competitive conditions which are evolved, rendering the previous choice of architecture null and void, or incompetent and too much expensive.

In order to achieve perfect branding strategy and categorization, companies and institution follow different sources. Clifton claims that there is not an ideal way and strategy which fits for all. Each company has to develop their own unique strategy which

corresponds to a mixture of different strategies and putting together best of each one (Clifton, 2004).

3.3.1 Strategies of brand architecture

According to academic sources which bring different types of strategies the most common strategy is divided into the power of brand relation spectrum. This strategy is based on power how strongly connected are the product of the same brand. The strongest one is called branded house where products sharing the same name and possibly other features. This strategy go to the last one which is called the house of brand where each product carrying its own individual name which has no connection to another brand from the brand family. Right chosen branding strategy can be extremely helpful in considering procs and cons of each strategy many companies decide to use an approach which evaluates each product or brand individually based on brand´s needs. (Kapferer, 2008).

Kotler (2015) arguments that on today's market is almost nothing without brand. When a firm wants to brand its product or service it has to choose which brand name to use. Three general strategies which are most popular are mentioned below:

- Individual or separate family brand names. Consumer packaged-goods companies have a long tradition of branding different products by different names.
- Corporate umbrella or company brand name. Many firms, use their corporate brand as an umbrella brand across their entire range of products. Development costs are lower with umbrella names because there's no need to research a name or spend heavily on advertising to create recognition. Sales of the new product are likely to be strong if the manufacturer's name is good.
- Sub-brand name. Sub-brands combine two or more of the corporate brand, family brand, or individual product brand names.

Companies create a matrix of branding similarities or differences which are part of their brand architecture. These features are less or more visible through the spectrum of company's product or services. As an example is PepsiCo Inc. The company has a wide range of product less or more connected (Kapferer, 2008). This company own brand as Pepsi Cola, Mirinda, 7up, Mountain Dew etc. these brand have no branding similarity

apart from the shape of the bottle. On the other hand, there is a range of Pepsi products which has high branding similarities (e.g. Pepsi, Pepsi Twist, Pepsi wild cherry, Pepsi no calories). All these differences or similarities depend on the size of the company and its products range, position on the market, typography of products, symbols and colors which are used in the branding of products.

3.3.2   Corporate branding

Corporate brands are marks meaning ownership, image-building devices, symbols associated with key values, means by which to construct individual identities, and a channel by which pleasant involvements may be consumed. The focus of the corporate brand building focuses on relevancy to customers whereas reputation concentrates on the legality of the organization with respect to the stakeholders. Corporate brand contributes not only to customer-based images of the organization, but to the images formed and held by all its stakeholders (Abratt, 2012).

Corporate branding is one of those things that everyone believes is important, yet there is a very little consensus as to what it means. This linked to words such as values, identity, image, and communication. It creates strategic importance of corporate strategic brand management. It is really important to remember that no matter how the organization defines itself and make its decision, there is still the potential for consumers and other stakeholders to see it differently. Traditionally brand is a descriptor applied to the sort of fast-moving consumer goods. Therefore *"a product is something made in a factory and brand is something that is bought by customer"(*Ind, 1997, p:4). In other words, the product can be copied by competitor but brand is unique (Ind, 1997).

In nowadays world, where information travels fast and in every direction, reputation constitutes a significant part of the company. This represents the quality of products and services which are provided by the company. Transparency of actions, these two factors leads to gain and sustain competitive advantage. Therefore, the brand name of the company become one of the most valued assets of the company and needs to be protected (Clifton, 2010).

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3.3.3 Service branding

In new century we are witnesses of increasing demand for service. Especially in Western industrialized countries where is the significant growth of the service sector, service industries, and service enterprises. Due to the new trend of individualism in customers behavior, services are differentiating their products to increase competitiveness and obtain customer's loyalty to the individual firm. To hand this process is a hard task for a brand management of service even more complex than management physical product. This complexity is due to the characteristics of services, whereby it is hard to assess the quality of services in advance as production and consumption usually take place at the same time. Due to this fact knowledge is much more important on the field of services. According to several academic sources is brand much more important for services than for goods, which enhances the need for a holistic and comprehensive view of the branding process (Olsen, 2015)

According to Kapferer (2008), there is no difference between product, trade or service brand. In view of the economy there are distinctions but not in view of legal. Service brand represents a specific cluster of attributes embodied in a quite concrete, though intangible, type of service such as education, rentals, hotels etc. The most significant issue of service in the field of brand management is that service is invisible. So, service product cannot be easily illustrated that is why service brands use slogans really often. The fact that humans are intrinsically and unavoidably variable is definitely a challenge for the brand approach in service industries. The brand experience in the service sector is totally driven by what happens at points of contact, where customers meet the company's staff, salespeople and so on. Therefore, is really important to better listen to your customers and react. Machines are not important in this process but people are essential. Brand management in the service sector means not only delivering a differentiated experience but ensuring that the resulting satisfaction will be attributed to the right brand. This is why the design and branding of all contact points are so important.

3.4 Brand attributes

Several sources see brand attributes and its parts in a different light but most wear down definitions is that brand attributes are a portrait of the company characteristic which signifies the basic nature of the brand. Brand attributes are a package of features that highlight the physical and personality aspects of the brand. Attributes are made through images, presumptions, and actions. All these features help in creating a whole and entire brand identity (Junea, 2018). A brand with a strong position should have these attributes:

- Relevancy- is a characteristic of a strong brand. It must reach people's expectations and realize in a way which people want to. This behavior helps to persuade customers to buy a product.

- Consistency- this quality builds customers trust and signifies what the brand stands for. Messages to the consumers should proc from the core brand proposition and keep consistency, otherwise confuse the consumer.

- Proper positioning- a strong brand should be positioned so that it makes a place in target audience mind and they prefer it over other brands.

- Sustainable- keep up with competitors and through the innovations and success trying to reach competitive advantage on the market.

- Credibility- the brand should keep its promises, communication style of organization to the customer should be realistic. It should deliver what has been promised. Do not exaggerate as customers want to believe in the promises you make to them.

- Inspirational- good brand should inspire or transcendent category it is famous for such as Nike transcendent Jersey Polo Shirt.

- Uniqueness- differentiation is one of the most effective ways how to succeed in the market. If a brand can keep its uniqueness it is way how to reach strong competitive advantage.

- Appealing- attractiveness is the next characteristic of a strong brand. It enables to attract more customers and promised them high added value which delivers.

On the other hand, Keller (2012) identifies as a main brand attributes name, URL, logos, symbols, characters, slogans, and packaging. In well-designed brand attributes matrix, these features should create the highest possible brand value. The company should choose brand elements to boost brand awareness and facilitate the formation of strong,

encouraging, and unique brand associations or elicit positive brand judgments and feelings. Described attributes are more described below.

Name

The name is a fundamentally important attribute of the company. It usually captures the central theme or key associations of a product. The right brand name can be extremely effective in case of communication. According to several types of research customer almost always register name from commercials. The name is really closely tied to the product in minds of the potential customer. The brand name is the most difficult choice, the company pays significant sums of money to research the right one. Keller states that brand name should be easily remembered, easy to pronounce, understandable and should link to the product. To associate the name with places, animals, human or things is very helpful. During the process of choosing name should be considered culture and modern trends (Keller, 2012).

URLs

In other words, domain name. URLs represent display window of the company which is accessible from every place where is a connection to the internet. Easily remembered URL close linked to the name of the company is in today's world of one success factors. Everybody who wants to own URL has to register and pay for the name. The issue is that number of registered URLs is dramatically increasing every year. For example, all three-letters URLs have been already registered (Keller, 2012).

Logos and Symbols

Logos and symbols represent visual attributes of the company and play important role in building brand equity and brand awareness. In logo can be captured origin, ownership, or another brand association. A wide range of logos starts with a corporate name and leads to trademarks. Logos and symbols are often easily recognized and can be a valuable way to identify products, although consumers may identify them but be incapable to link them to any specific product or brand.

Character

It is a special type of brand attribute because takes on the human or real-life characteristic. Brand characters are usually presented in through advertising and it is possible that play central role in campaigns or on a package design. Some of the characters can be animated and other can be live-action figures. Brand characters can help brands break through marketplace clutter as well as help communicate a key product benefit. The human element of brand characters can enhance likeability and help create perceptions of the brand as fun and interesting (Keller, 2012).

Slogan

Is basically short phrase which serves to communicate with consumer and describe or persuasive him or her to buy a product or service. They often act in advertising but can play an important role in packaging and in other aspects of the marketing campaign. Slogans are powerful branding attributes because, like brand names, they are an extremely effective, shorthand means to build brand equity. They are an imperative means of summarizing and interpreting the intent of a marketing program in a few short words or phrases (Keller, 2012).

Packaging

Packaging is a crucial attribute in several ways as economic, logistic, and also branding. Packaging should achieve a number of objective from the perspective of a company or a consumer. Packaging identifies the brand, convey descriptive and persuasive information, facilitate product transportation and protection, assist in at-home storage, and aid product consumption. From a brand perspective packaging eye catch and appeals, a convey elaborate and colorful messages in the "moment of truth"- a moment of purchase (Keller, 2012).

3.5   Brand identity by Ko Floor

Every strong brand identity is identified by three pillars which are a clear differentiating positioning, a distinct personality, and consistent communications. These three pillars can be represented by "What", "Who", and "How". Combination of these three pillars is important for building a strong brand identity. The brand positioning is described as a mix of functional and tangible attributes which offer retail brand to the consumers, this part means "What". The brand personality emotionally shows characteristic of the retail

brand that is "Who". The brand communication informs the consumer with help of its own look and feel of the positioning and personality, it means "How". The way how these three aspects are presented and communicated to the consumer influence the brand identity. Together positioning, personality and communication make retail brand cycle. Only when these three pillars perform consistently and integrated, in that case, we can talk about the strong brand (Ko Floor, 2009).

According to Ko Floor (2009) to differentiate a brand from competition and create consumer loyalty, the company need a strong brand identity. Moreover, to build up such a brand identity is needed more than just an outstanding advertising campaign. It is mainly about what it does and not about what retailers say. A strong brand identity entertains functional and emotional characteristics and is consisted of three connecting instruments – positioning, personality, and communication. Together creates the brand cycle which is shown in Figure 2.

Figure 2: The brand Circle (Source: Ko Floor, 2009)

3.5.1 Positioning

The three rings of the retail brand circle rotate each other. With clear brand positioning some of the other brand's personalities fit better than others, continuously with that brand personality and brand positioning mix also call for a specific type of brand communication. The highest level of attention must be paid on consistency. Timing and all touch-points of the retail brand play really important role in this process (Ko Floor, 2009).

Positioning is situated in the inner ring of the retail brand circle. The retailer has to decide in which wants to capture in consumer's mind in relation to other retailers. Positioning is in retailing mainly about functional and tangible attributes and brand performance which goes side by side. Positioning will have to find in opposite in matching performance. Therefore, it is really important to reach clear focus in the positioning. Stores, where is everything for everyone, do not exist. If a retailer wants to achieve clear positioning, the retailer must decide to which focus group or segment of the market he wants to focus on. Next step is a decision with which attributes retailer wants to primary differentiate itself from the rest of competitors. The functional and tangible attributes of the positioning will, therefore, have to match consumers values and needs and will transform into consumers benefits, these benefits can be functional or emotional (KoFloor, 2009).

A most common mistake in formulating positioning is that most of the brand formulate brand attributes of positioning on the base of their competitors and then try to do the same things better. Differentiate themselves through the same brand positioning attributes. This attitude usually does not have any response in eyes of the consumer. A brand should try to differentiate itself by offering unique benefits to the consumer (Ko Floor, 2009).

Ko Floor (2009) identifies four crucial positioning attributes when the retailer wants to differentiate itself. It is price, range, convenience and store experience. Regarding these attributes, brands try to be better, faster, cheaper and provide better service to consumers than other competitors.

In the past, focusing on just one attribute was enough but it is not enough in today's market, consumers want complex shopping experience and they do not want to pay too

much. Therefore, with today's increasing competition brand have to focus on all four attributes.

Figure 3: Positioning attributes (Source: Ko Floor, 2009)

A significant distinction is between range brands, price brands, convenience brands, experience brands by focusing on different positioning attributes. The brand which is focusing on more positioning attributes than one without clear focus miss clarity in their positioning, and therefore does not give a clear offer to the customer (Ko Floor, 2009). Limitation of this Floor is that this book is focused on retail stores. Therefore, some of the theory aspects cannot be understood literally. However, this concept is really useful therefore author use it as a base of the thesis.

Positioning on range

The range of brands strategy is focused on wide range of products, which clearly larger than competitors range. Category stores or specialty stores have distinctive ranges. Due to the size of their specialization can offer a range of product to the consumer and provide unique proposition. This tactic could be supported by lower price and in case that such a large range of product with similar prices does not have any other shop, it is competitive advantage and base for success (Ko Floor, 2009).

Positioning on price

Economic development of countries causes that consumers become more price conscious as well. Good or lower prices are a standard, which has most of the shops for every retail brand, which has an expectation of true upmarket stores, just as a good range of products. Without setting right price policy of goods retail brand cannot survive, no matter how great the other positioning attributes are. A brand cannot qualify in competitive battle if do not offer fair prices to the consumer. In case that brand wants to position itself as a price brand has to do much more to achieve this target than just offer low prices. Most of the retailers who want to succeed offer lower price, therefore the price difference has to be notifiable in eyes of the customer (Ko Floor, 2009).

Positioning of convenience

Consumers do not spend so much time by shopping as before, they start to value their time. Therefore, customers are sometimes prepared to pay a little extra for daily necessities if it saves their time. Turning shopping into easy experience can be also a strategy to reach effective positioning strategy. This strategy usually use a retail brand with differentiating themselves by the convenience, typically offer mail order, online shopping, shops in neighborhood and at gas stations, can be easily accessible, you can buy your goods from the car or has unbelievable fast service (Ko Floor, 2009).

Positioning of experience

Range, price, and convenience are offering functional and emotional benefits, the emphasis is in the positioning usually on the site of functional benefit. The consumer can be really objective in case of a range of product, good price or convenience which store offers, but positioning on the base of shop experience is more difficult. The store experience is a different feeling for each customer, therefore, it is really subjective, due to the customer personally experience all the positioning attributes of the brand. A positioning strategy based on experience is, therefore, the most emotional from these four possibilities (Ko Floor, 2009).

Mix of positioning attributes

In positioning has to be a focus on one attribute because is not possible to excel in in all attributes. Company just cannot make all products or services for all people. It is unaffordable and consumers cannot know what the retail brand stands for. Consumers have to be able directly associate the brand with one attribute. On the other hand, image of the brand diffuse consumers. Key is focus on one attribute but it does not mean that brand will ignore other positioning attributes. In retail industry it is not possible because consumers are too demanding and competition is strong (Ko Floor, 2009).

Figure 4- Importance of attributes for the positioning (Source: Ko Floor, 2009)

Above in the Figure 4 are described four important attributes for positioning, these attributes are differentiating, qualifying, competitive, and supporting attribute.

Differentiating attribute

Brand can succeed only in case that in eyes of consumer is rises far above the competition in one of the positioning attributes. Therefore, brand has to choose which of its positioning attributes will be its differentiating one. Then Brand has to focus on the attribute in marketing strategy. In first case, consumer always has to associate attribute with the brand. The differentiating attribute directs the entire company and its culture. This attitude can bring customers to store and they will be even willing to travel there. Differentiating attribute is the strongest one in case when is well-performed (Ko Floor, 2009).

Supporting attribute

To be able achieve strong differentiating attribute company has to support it. In this case supporting attribute is the most important complementary attribute. This attribute gives extra reason to customer to visit the store but it has to be implemented better than the competition's one. On the other hand, supporting attribute is not strong for positioning by itself, differentiation is too small in target group. However, supporting factor has to be used in chosen strategy of positioning, it should naturally follow the differentiating attribute as much as possible (Ko Floor, 2009).

Competitive attribute

This attribute is build up in position to other competitors. Often retail brand will only score about the same as other stores for this attribute. Moreover, a competitive attribute is still more or less a minimum requirement to be successful (Ko Floor, 2009).

Qualifying attribute

In some examples, brand can be weaker than other competition. This approach is particularly fine if the attribute is not as much relevant to the target group or the low score is more than compensated for by the score on other attributes (Ko Floor, 2009).

3.5.2 Brand Personality

Brand personality is a second layer in the Brand Circle. A retail brand has to be more than just a collection of functional attributes. When the process of positioning is finished brand personality is next in the line which needs to be defined. The brand personality is should match consumers values and consumers experiences to achieve this target brand personality is always based on emotional and intangible attributes and benefits. While positioning is focused on the value what consumers get, personality is focused on what the consumers feel. In case that company has strong, differentiating personality, the emotional bond is developed between the retail brand and its consumer. The emotional bond can have a more significant influence on shopping behaviour and choice of the store than functional attributes can have. Therefore, brand personality can give brand identity extra dimension which can achieve a strong competitive advantage. In several sectors, brand personality is the most important attribute when a company wants to differentiate

itself. Consumers create an ideal image of themselves therefore trying to realize that ideal look for a retail brand with a personality which matches to consumers own values. (Floor, 2009).

Floor (2009) defines several brand personality types. These types are shaped by all kinds of external factors such as customer type, the option of others about the retail brand etc.

Figure 5 Brand Personality Ring (Source: Floor, 2009)

The brand has to notify if the perceived personality corresponds to the desired personality. The personality of the brand consists five base dimensions which are sincerity, excitement, competence, sophistication, and ruggedness. These five dimensions together create a brand personality ring which is around brand positioning mix, the ring is captured in Figure 4.

In total all dimensions are consisted of fifteen factors, dimensions have from two to four factors. Sincerity is defined by cheerful, wholesome, honest and down-to-earth. Excitement is factored are described as daring, spirited, imaginative and up-to-date. Competence consists reliable, intelligent and successful. Sophistication is represented by a charming and upper class. Last factor ruggedness holds on outdoorsy and tough (Floor, 2009).

Floor (2009) described these factors based on American research. Due to cultural differences and other cultural dimensions or factors can be important or other emphases can appear in different countries. Despite it these factors form and dimensions are the really good starting point in formulating desired brand personality.

3.5.3 Brand Communication

Brand communication leads on the outer ring of the brand circle. When we set desired brand positioning and brand personality, both of them have to be communicated. Promises which are made by brand positioning and brand personality have to be recognized by the consumer. Therefore, these two aspects have to be reflected in brand communication. It is important because the way how retail brand communicates says a lot about the brand. Thus, there is the high importance of advertising and direct marketing, communications, store design, the employees and the visual merchandising all communicating on a consistent message.

The brand communication has to make visible positioning and personality from both sides, inside and outside the store. Nevertheless, some brand personalities are better connected with particular positioning than other brands. Thus, the mix of personality and brand positioning also need aligned communication, not only advertise and other kinds of out-store communication but especially in-store communication such as store design, employees and the visual merchandising. This concept of in-store communication can bring the brand to life by strengthening its personality and positioning. Also, is possible to use it as a communication tool to make it clear what brand promise is (Floor, 2009).

Out-store communication

The main objective of out-store communication is to attract customer by using advertising and direct marketing tools. The difference is between interests of manufacturer and retailer. The aim of the manufacturer is to get the consumer into the store than he almost cannot influence its buying decision. On the other hand, retailers want to attract consumer by out-store communication and then when the consumer is in the store can persuade him by several tools to buy a product. The most important decision is about right

communication strategy and its fixed budget. For this purpose, could be used several tools but the most common one it the out-store communication is advertising (Floor, 2009).

In-store communication

On the other hand, in-store communication has a wider range of tools which can attract the customer. Because in the store the most of the buying decisions are made. Therefore, the retailer has an opportunity focus on brand identity also there, the manufacturer does not have the opportunity. The main aim is to focus on all senses of a potential customer. Strong brand expresses its brand identity into distinguishable style attributes like colors, shapes, material, sounds, smells and other sensory appeals. It should communicate the positioning, personality, add value to the merchandise and be efficient and effective. Employees are one of the most important factors in in-store communication because they represent the link between the store and the customer. Employees are almost brand themselves, therefore, it is really imported to know what the retail brand stands for (Floor, 2009).

3.5.4 Brand perception

The brand identity describes the brand in the way the retailer desires. The brand image or brand perception shows and explain how the brand target group experience the brand. Desired brand perception of consumer and brand identity of retailer or producer does not have to necessarily match. There can be a significant distinction between what consumer experience and what retailer wants. The brand perception is often determined by brand performance, what the consumer experiences in the store or website. If the brand promise
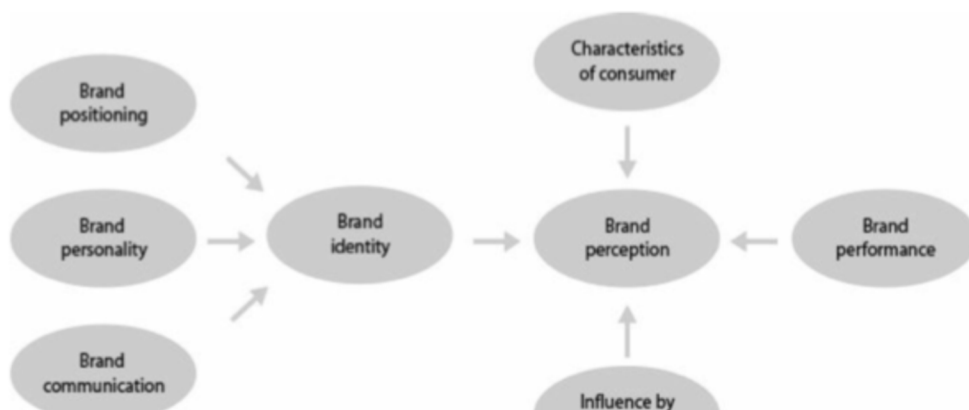

Figure 6: Factors influencing brand perception (Source: Floor, 2009)

is not proven in the store anyway, the desired brand identity will not be obtained (Floor, 2009).

Consumer's perception of the brand is also contingent on their own interests and characteristics, and a factor of influencing by others. For example, a consumer, who has hardly any interest in an undeniable type of store or has a bad experience with the store in the past, will act in a different way than someone with a high interest in the store and positive shopping experience from the past. Influencing factor of family, friends and other associates or competition can reach a high level of influence on people's brand perception as well. The perception of the retail brand is brought about in distinctive techniques. A retail company which is a success in building its own brand identity through the right mix of brand identity attributes such as positioning, personality and communication and is able to differentiate itself from the competition, holds a strong weapon in its hands. Brand identity has the power to influence consumer's buying behavior. As long as consumers brand perception matching store experience with strong brand identity, consumers will come back (Floor, 2009).

3.6   Competition

BusinessDictionary.com (2018) defines competition as:*" Rivalry in which every seller tries to get what other sellers are seeking at the same time: sales, profit, and market share by offering the best practicable combination of price, quality, and service. Where the market information flows freely, competition plays a regulatory function in balancing demand and supply."*

High-end competition
This type of competitions is appealing to sophisticated and discerning customers. In other words, high-end competitors are focused on high-quality products with higher prices, offering luxury services and are successfully established with set of strategy and their business rules (The Free Dictionary, 2017).

Low-end competition

Down scale, cheapest in a line of merchandise, intended for low-income consumers or informal these expressions are used for describing low-end competition. Companies in this range of competitors usually are not the best and their qualities and brand can be questionable (The Free Dictionary, 2017).

3.6.1 Substitution view of competition

According to consultancy with Zich, author added substitution view of competition based on brand competition, industry competition, service competition, and race competition.

Brand competition

In this case, competitors are characterised as all brand with similar products or services for similar prices. In case of outerwear industry, brand competitors are companies offering similar fields of products with similar technology and similar price (Zich, n.d.).

Industry competition

Industry competition can be characterized as a competition in whole industry where are all companies producing the same kind of product or services. In case of outerwear industry, competitors are all companies offering the same kind of products (Zich, n.d.).

Service competition

In case of service competition, competitors are all companies which are able to satisfy the same needs. In case of outerwear industry, it is all companies which are able provide advice about their products and great shopping experience (Zich, n.d.).

Race competition

For this type of competition are typical all companies which are "asking for" consumers money. In other worlds, competitors are all companies asking for consumers money in form of price (Zich, n.d.).
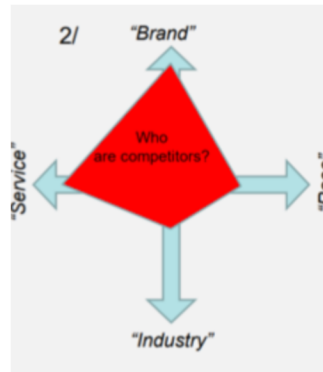
Figure 7- Four Competitive Factors, (Source: Zich, n.d.)

3.7   Brand management in action sport industry

The popularity of actions sports rapidly increased with new Generation Y which was born between 1982 and 2003. Action sports are an analectic collection of risky, individualistic, and alternative sports such as skateboarding, BMX biking, surfing, street luge, wakeboarding, and motocross, snowboarding, and freezing etc. The brand management of action sports does not simply focus on the individual, collective sporting events, or athletes. This genre of the sport has merged with music, apparel, and movie industries to form a large sporting culture which makes all this segment really complex and interconnected (Bennett, 2004).

Brand management of action sports companies' aim on providing an impression that normal consumer will able to do the same sport on the same level as professionals do or help them increase their performance. In order to achieve these feelings use the massive characterization of their bands with action sports athletes and huge competition, well-aimed marketing communication, effective and well-remembered slogans with combination lightly aggressive pompous and performance-catching names and well-identified logos of their brands. All these aspects are placed in marketing communication

of the company which is placed in action and extreme video and photos which are widely spread through social media and in and out-store communication channel (Coalkley, 2001).

The apparel industry in action sports is mainly focused on a segment of generation Y which is today from 15 to 36 years old. The brand matrix in the industry is based on strength characterization attributes of products with athletes, famous persons, and events. With the support of differentiation and uniqueness of product due to technical and quality demands of products. Therefore, cost leadership is not really possible in the long-term perspective of the brand. This strategy has significant support of targeted commercial on the internet and social networks (Bennett, 2004).

3.8   Summary of theoretical part

In theoretical part of diploma thesis are described basic concepts of branding, brand management, brand identity and brand architecture. To summarize main concepts of theory author of the thesis used several different authors. In his opinion, the most useful concept for this thesis, created Ko Floor. Therefore, the whole brand identity is defined by his theory. According to his theory, a strong brand is defined by three pillars which together creates perfect brand identity. It is differentiating positioning, a distinct personality and consistent communication. These three pillars should be in balance, in care they are not the whole concept cannot be maintained. Brand perception is characterised as how customers view the brand itself. In real time there could be distinction between brand perception of customers and desired brand identity by company (Ko Floor, 2009). This concept is used in analysing current brand identify of Virtika and also will be used in the practical part to create a new adapted brand identity. In the last part of theoretical part author characterise type of competition for its better analysis and defining strategy.

4 Analytical part

In order to achieve as much as possible detailly analyse of the Virtika Company author used all reachable such as interviews of Virtika's crew, analysis of social media and community portals. Therefore, all sources cannot be cited. Analysis was made 11.5.2018.

4.1 Introduction of the company

Virtika is a freeski/snowboard company placed in Denver, USA. It's main aim is producing high quality outerwear for reasonable price. In order to achieve this target Virtika design all product by its professional riders from Virtika's freeski team. On the other hand, products are manufactured in China to reduce producing costs. Owner of the company David Lesh was looking for a reliable and verified company which is able to deliver well-tailored product and behave fairly with its employees. Virtika offers wide range of ski jackets and pants, then additional products as t-shirts, caps, hats, baklavas, sweatshirts etc. Its outerwear is exhibited on outerwear and outdoor fair in US, where signature line of products won several awards from well-known magazines such a Powder magazine, Freeskier, Backcountry – Gear Guide or Skiing magazine. Company tries to keep step with its competitors therefore every season innovate its products and tries to introduce new products and extend range of products. One of the main advantages which has small company is its agility. Annually company let customers decide which design will have next season jackets and pants (Lesh, 2018).

Obrázek 1- Logo of Virtika (Source:Virtika.com)

4.1.1   History of the company

In late 1990s new sport as arising in British Columbia in Canada. It is freeskiing. During the time International Ski Federation does not appreciate snowboard tricks which skiers did on competitions. Therefore part of the skiers left a started progression of this sport. Between these skiers were professional skier and photographer David Lesh who several years travelled all around the world and was sponsored by different brand which produced skis and outerwear for skiing. David Lesh was really talented and therefore did not have a problem to find a sponsors but during the time found out that brands did not have clothes which suits to his needs for riding. After unsuccessful tries to negotiate its own jacket and pants in different brands he decided to establish its own company and Virtika was born (Hayes, 2016).

After several years of riding in different kinds of terrains he exactly knew how should look great outerwear for skiing or snowboarding. Most of the choices on the market were limited, uninteresting, and poorly made. He wanted unique gear designed by real athletes who demanded only the best (Hayes, 2016).

In 2008 David Lesh wanted to create affordable, stylish, high quality, technical outerwear. He negotiates with few companies with request the ability design outerwear. He was denied by all of the companies co he started with development of its own products by combining pieces of outerwear from his sponsors. In 2009 he established company First Drop and in 2 laps of pre-orders sold out immediately all. In 2010 people started calling First Drop Outerwear as "FD". FD introduced the world's first customizable outerwear and allow customers to buy extra bibs and sleeves to make their suits unique and again all goods was sold out in pre-orders. In 2011, David Lesh found a new factory with was able to deliver goods in the highest quality. Due to this fact could introduce Virtika V3. Next year in FD found a new factory for producing hoodies and introduced summer line which content t-shirts, board shorts, jeans and hats plus untroduced upgraded Virtika V4 jacket and pants. Year 2013 was really significant because the first 3-layer, 25,000 mm waterproof/breathable membrane was introduced in FD outerwear. Due to high popularity of Virtika line the whole brand was renamed on Virtika. Next year was improved several features on signature line. In 2015 team of Virtika travelled around Asia

to find the most suitable factory for brand new line. On the top of it, Virtika bought new warehouse and offices in Denver from where now running all operations. Till now Virtika continuously improving its outerwear and creates really innovative marketing campaign (Lesh, 2018).

4.1.2   Basic information about the company

Name	Virtika
Legal form	Limited Liability Company
ID number	20101213284
Document number	20131545114
Event	Articles of Amendement
Formation date	14.04.2010
Status	Good Standing
Activity	Active
Judictiction	Colorado
Principal office street address	5055 E 38th Ave, Denver, CO 80207, 6086587809, United States
Name of Agent	David Lesh

Table 1: Basic information about the company, (Source:.sos.state.co.us)

4.2   Current brand strategy of Virtika on USA market

4.2.1   Key attributes of the brand

Brand name	Virtika - the name "Virtika", a linguistic combination of "virtual colorado company"
URL	www.virtika.com
Logo, symbol	
Ambassador	David Lesh
Slogan	We make gear that keeps you comfortable and dry while doing unsafe thing outside
Jingle	XXX
Package	Box with small gifts
Service	Complex
Marketing communication	All channels
Customer care	In shops, on websites, social networks

Colour	Black, white

Table 2: Key attributes of the brand (Source: My own on base of company information)

4.2.2 Positioning

Core of the brand attribute is for Virtika positioning which is connected on brand personality and these two attributes together are communicated to the consumers. Mix of positioning attributes can be divided on range of products, price, convenience and experience. Range of products is distinguished attributes of a company which affect its business and its business culture. Range of products is defined from point of view quality products and services provided by the company, not from view of quantity of goods. For Virtika is characterized high quality products for freeskiing and snowboarding with reasonable price. Basically, its products are on higher level of quality but on medium price level. It provides added value for customer who wants high quality product but cannot afford to pay for it. This attitude significantly spreads out customer target group. On the other hand, company has to communicate with consumers really consistently and effectively to clarify why they are able to reach such a high quality for such low price. During shopping process on the Virtika´s e-shop consumer can see several freeski and snowboard videos which provides him convenience also websites have more thing with should make shopping easier such as size charts and fit guide and online chat window where you can chat with customer support which helps you to choose the right model and size for your riding. This whole process is easy, effective, accessible and give consumer great shopping experience.

Range of products

Range of products offered by Virtika is wide from signature series freeski/snowboard jacket and pants, offers also slim fit pants, crossover jackets and softshell jackets these products create the key range of product of the brand. This is offered to customers in 20 different colours and its different variations. To differentiate itself as user Virtika offers extra sleeves with different colours which can be changed. The whole key range of products is enchanted by several features such as magnetized split main zipper flap, high quality 8YKK zippers on the whole product, and more features a the whole product range is described in Appendix 8.1. The key range of products is supplemented by soft range of products such as sweatshirts, thermal layers, crossover jacket, t-shirts and tank tops,

boards, denim and several types of head wear. To make the key range of products really special Virtika developed its own membrane called "Vir-Tek 3L" with 25 000mm waterproof/breathability. Description of Virtika 5 Layer System w/ 3L Fabric is in Appendix 8.2. This membrane reaches high quality such as membranes from Gore company, dry-tech, dry-edge.

Price

Virtika takes care on idea of providing high quality outerwear for reasonable price, which is accessible for all passionate skiers and snowboarders. Price of all products and services is transparent and company puts emphasis on it. Price level of signature series product is significantly lower than Virtika´s competitor. During the year, Virtika makes contests on social network for percentage discount or gift cheque. Similar process is on company´s e-shop where during the whole year is competition for a gift cheque. Principe of the competition is fill up registration for company newsletter, it helps company to achieve more potential customers through the direct marketing tools. Every year in the end of the winter season Virtika makes large Spring Sale which make space in stock for another collection and address hesitant consumers. As a bonus company offer free delivery when customer purchase goods in total value 99 USD in USA and 299USD worldwide.

Convenience

Lack of time and not enough of free time cause negativity in customers. It brings stress and unwillingness to visit stores. Customers looking for a possibility to buy a new product on-line from their phones, tablets or computer during their travel or from sofas in their homes etc.

Virtika has a well-designed e-commerce, where consumers can realize purchases 24 hours a day. Thanks to possibility of a contact with the customers e-shop is able to give an automatically advice through its system. On the top of is in e-shop is most of American day contact sales support and chat with him with help of several communication channels.

Automatic system of advice is consisting from two parts. First part is basic of each e-shop with outerwear. it is a size charts where is outerwear measured and exact sizes has quoted

length, width of key measures of the jackets or pants. Second part, called "Fit Guide" is more sophisticated. On large picture customer can choose from several models with different length, width and put signature jacket and pants on them. Thank to this customer can see how possibly will gear look at him and estimate right size of its clothes.

Next customer support attribute is direct chat window placed on websites where is during a day online worker of e-shop who is able to answer questions about outerwear, right size of it, materials, and functional features. In case that customer is not sure he can help him to choose right product for him. In case of offline mode on e-shop, customer can find direct link on Facebook chat with different adviser. To achieve higher level of customer support and better product customers can write a feedback from special form.

Experience

Because 99% of sold the goods is through e-shop Virtika is focusing mainly on its website and e-shop. To satisfy customers Virtika has several way which should make shopping easier and more exited. Customer should always leave the website satisfied with the feeling that he bought amazing outerwear for a great price and support freeski scene and with feeling that he will come back again. On first page of the website customer can see YouTube commercial spot which funny and proofs quality of the outerwear in totally different style is. Such as testing waterproofness in car wash, pulling snowmobile behind the car by using jacket etc.

Really nice experience provides Virtika by supporting and creating freeski, snowboard and snowmobile movies which are really popular on snow-movie festivals. For example movie series "This is Friday" and "Next Friday" won several festivals awards for creativity and style. This attitude brought a lot of new customers to Virtika. All these movies, clips made Virtika Visual which has been established for this purpose.

Evaluation of positioning attributes

In order to keep the most important competitive advantage of Virtika, which is really favourable ration of price and product quality. For company is the most important positioning attribute **price** of its products. Next important factor is the range of Virtika's

products because thanks to size of Virtika company is agile, and able to adapt customer's needs.

4.2.3 Personality

Positioning explains what customer gets from the Virtika and personality follows with feeling and perception of the company. Virtika´s personality can be described as person which wants to be the best in things which he does. Always try to improve thing which he does and support freeski, snowboard a snowmobile community to better tomorrows. He is initiative in responsibility to its clients and partners. By its character is fearless to new projects and challenges. On the other hand, sometimes missing social responsibly and carefulness about environment.

Person which describes the best way of personality of the Virtika is it owner and founder David Lesh. His person is well-known in freeski, snowboard and snowmobile scene all around the world. He is man of his word. Several community portals describe him as a crazy man, who makes impossible things possible. This creative, goal-directed, action person who is popular in community but also can handle critique and transform it into success. In the same manner is chosen pro-team of Virtika riders. They are extrovert personalities which share their knowledge about skiing and do not hesitate to proof they are best in thing which they do. In team are different personalities from different sports such as freeskiing, snowboarding and snowmobiling, males and females, different nationalities from USA to Polish. Each of them is specialized on different part of the riding such as freestyle, freeride, slopestyle, jibbing or big air.

In approach to the customers is proactive, listen and recommends them ideal equipment for their adventures. Natural thing is considerateness of time, customers and co-workers. Support individuality of each rider and every customer. They risk and assume responsibility for their acts. Demands feedback on its products and services in order to make improvements for satisfy their clients.

Personality of the Virtika by the Ko Floor methodology can be described as **ruggedness** which is represented by two factors **outdoorsy** for which is typical masculine, active and

athletic behaviour. Second factor is **tough** for which is typical characteristic rugged, strong, and no-nonsense. Company´s strong factor is also **imaginativeness** and **sportiness** which is described as unique, humorous, surprising, artistic, fun, cool, young, adventurous, and outgoing. On the other hand, Virtika should strengthen its **honest** factor special it ethical, real part.

4.2.4   Communication

The whole process of positioning and brand personality is crowned and completed by communication which communicate towards consumers. Methods of Virtika´s communication are described below.

Outside communication

Company uses paid form of commercial in different communication channels, its aim is make more visible and increase sales of the company. Since 2008 company use controversial, stickled out, eye-catching commercial videos and photos which spread out through different channels. Main aim of these strategy is become viral and increase effectivity of commercial with as best as possible money/number of approached consumers. To increase sales and awareness, company use direct marketing methods, support of sales, personal sale, keep good public relations about the company and its activities, sponsors several competition and riders, widely posts and discuss on social networks such as Facebook, Instagram, and other social networks. To persuade hesitate consumers Virtika use ppc, banners, and other forms of aimed internet commercial which can choose concrete consumer on the base of his cookie files. All above mentioned types of commercial are described below in more details.

Direct marketing

Virtika use direct mailing to achieve customers, which are registered or accept terms of using newsletter of Virtika. Usually use this form of communication to inform about new products, which are preparing. Then informs about discounts and sales on typical sort of products or the whole collection. In case of new video or new movie, Virtika sends invitation to premiere or direct link to the movie, where customers can purchase it.

Whenever customers do not want to subscribe newsletter any more they can just chose an option in email and they will be deleted from the newsletter list.

Support of sales

Support of sales company mainly aims toward its customers. In concrete form of special offers to their customers with more favourable price for in advance accomplished conditions. For example: for new registered customers we give you 10% discount to complete of signature jacket and signature pants. Company also use strategy of giving small gifts to larger orders for example stickers, posters signed by company riders, t-shirts etc. Company also rewards customer from their club which get special discounts and offers.

Second part of the support of sales is focused on companies, clubs, associations, and organization. They offer special design to ski patrols in ski resorts and customized design which will be produced in small collections. For example park crew in Denver´s resort is equipped from Virtika.

Public relations

In case of public relations, company communicate in form of reports, articles, interviews, videos and movies. Vitrika regularly writes articles and travelogue to web magazines, chuch as newshoolers, freeskier, etc. about ski resorts, trips of Virtika pro team, and review on freeski movies. In same spirit Virtika publish photos and stories in photo magazines such Downdays. There publish its pro riders photos and interviews.

Virtika sends its pro team to special events, competitions and to school to talk with people and bring freeskiing between people. During events in ski resorts Virtika riders coaches freeskiing and snowboarding.

Sponsoring

Virtika mainly focuses on sponsoring of riders, sport events, clips and movies. In area of riders Virtika sponsors hopeful riders from different part of the world which has power to influence consumers and increase awareness of company. Currently is in Virtika team

15 athletes which are skiers, snowboarders and snowmobile riders. The most famous names are Ian Smith, Julien Eustache, Pako Benguerel. Szczepan Karpiel is the well-known in Czech Republic because mainly skiing in Poland and Czech Republic.

Virtika supported several freeride and freestyle movie where acted its athletes such as Addicted, Trashin, Clever Kids, Mystic March. The most of these movie has been made in USA. This move brought awards for freeskiing movie and rapidly increased demand after Virtika outerwear.

Social medial

Nowadays is for every company necessary to present itself on the internet. It is relatively cheap way how to approach new customers and spread awareness of a company, all over the world everywhere where is internet connection. Virtika has several account on social networks such as Facebook, Instagram, Twiter, YouTube and Vimeo. Activities on social networks are described in more detail bellow.

Facebook

Account of Virtika on this social network is one of the most important. Company publish there all information about itself. On its profile consumer can find name, information about company, photos of products and athletes, videos of Virtika´s athletes, and Virtika´s current and past posts. It is one of the most used communication channel which company use. On Virtika´s Facebook can customers find current events, actions and development of the company. Once a year Virtika shows over 30 designs of next season outerwear a consumers can decide which design of outerwear they will be produce. Virtika also announce there important decision and changes in company. On Facebook people write feedback and reviews on Virtikas product. In overall rating is 4,4 stars and customers endorse great durability and quality of the membrane. Thanks to Facebook chat customers can contact company directly. Total number of followers is over 28 thousand.

Instagram

This social network is focused on sharing photos and videos. Based on likes and followers. Virtika publish here videos and photos from its team athletes. Posts can be

dived into three types. In the first case Virtika post photos and new information about its products, their design and new features which can customers expect. In the second one Virtika posts videos and photos where consumers can see Virtica´s outerwear in action-riding in the park, forest, slope or in the downtown. In the last one is daily life from inside of the company, and around the ski resort where Virtika often realize its projects. Total number of followers on Virtika´s Instagrem is over 56 thousand.

YouTube and Vimeo

Virtika uses YouTube and Vimeo for publishing video edits, movies and another videos connected to the company. On Vimeo, Virtika publish all their movie, therefore this portal offers a possibility of selling it, after time movie will be for free. On the other hand, YouTube is used for publishing shorter clips about skiing, live in the Virtika and advertisement spots which are created by Virtika visuals.

Other social networks

Because on the internet exists large volume of social networks Virtika uses more of them. In order to achieve it manageability tries to direct people from another social network, such as Google+, Twiter, Snapchat etc. on social networks which Virtika use primary. It means Facebook, Instagram and YouTube. Posts published by Virtiky on other social networks usually orient customers to it primary social networks.

PPC

To achieve reliable consumers Virtika use marketing tools and methods which are connected to cookies files of internet users. Therefore pays just for relevant commercial which aimed on freeskiers, snowboarders or snowmobile riders. If consumer is interested into these sports, during web-browsing he can see banners or pop ups which display him Virtika outerwear.

Inside communication

Inside communication is enacted mainly on the e-shop by its design, design of the products and possible communication with the employee of the Virtika.

Design of e-shop

Design and layout of the e-shop is oriented towards customer. Layout is created to support easy and logic customer´s orientation there. Virtika wants to create perfect service model for customers which underline the whole impression of the brand. Design of websites is in hands of websites specialists. Virtika put emphasis on easy divided categories of outerwear and fast and smooth buying process.

Design of products

All products and presented on websites. Main aim of Viritka is set a presentation of products as convincing as possible. In order to achieve this goal Virtika puts several photos of product in different situation such as on the white background, on athlete during skiing or just on a model with mountains background. All functional features are also described in detail and some of them are mentioned in video. Products with discount are presented on the main page of websites.

Employee

Most of Virtika employees, riders and ambassadors have hobby linked to Virtika. It means skiing, snowboarding or snowmobiling. This attitude of the company helps build up loyalty to the brand and the company. Loyalty to the rand is demanded and most of the employees present Virtika also on its personal profiles on social networks.

Evaluation of communication attributes

After the complete analysis of communication attributes of Virtika company. In opinion of the author is the most important communication through athletes and social media, where Virtika is able to aim at relevant customers and through its marketing tools effectively persuade him to purchase a product and spread brand perception of the company.

4.3 PESTLE analysis

In the analysis are analyzed macro-environmental factors of Czech Republic in view of brand and factors which can positively or negatively influence it.

4.3.1 Political

According to research of Moody's Analytics, where Czech political stability was ranked by A1 and Fitch ratings ranked Czech Rebulic A+ (Czechinvest, 2018). On the other hand, political situation in Czech Republic is not stable at all.

Since October 2017, when was election to chamber of deputies, Czech Republic still has not government with confidence. Political party ANO 2011 which won the election is not able to create a government because its leader Andrej Babiš is prosecuted for subsidy frauds. Due to this fact, the Czech government stays on zero point which is not danger but government is not able to manage political and other part of macroeconomic factors which influence. Currently, the government of Andrej Babiš has the confidence of 43% of people (Aktualne.cz, 2018).

President of Czech Republic is Miloš Zeman. He won presidential elections in January 2018 with 51,36% votes. This election split up the Czech Republic on two camps, with and against its president. However, president of Czech Republic is more representative then managing function. According to idnes.cz (2018), current confidence in a president is 50%.

4.3.2 Economical

According to a report of the British Government (2018), The Czech Republic is one of the most stable and well-performing markets in Europe. The Czech Republic is 30th in the World Bank's Doing Business 2018 rankings and WEF Global Competitiveness Report 2017-2018 puts the Czech Republic on 31st place.

This placing confirms also good economical results of Czech Republic. GDP per capita stood at 17 046 euro in 2017 which was one of the highest in Central and Eastern European Union. More than 80% of international trade of Czech Republic is with its partners in European Union and Germany alone counting for one-third of exports. Most of the exported goods dominated Škoda cars and manufactured goods (GOV.UK, 2018).

All these great statistics confirms great performing of the Czech economy which is strong and all the forecast to continue to perform well. GDP grew by 4,5% in 2017 and the current surplus is widened to 1,1% of GDP and government show a surplus of 1,6% of GDP, thanks to it government debts decreased to 36,8% of GDP (Czso, 2018).

Inflation rate increased by 2,5% in 2017. On the other hand, average salary increased to 31 646 Kč which is 8% growth. Minimum wage increased on 12 200Kč in 2018 from previous 11 00Kč which are 10,1% growth of minimum wage. The unemployment rate is 3,8% but it is still decreasing, in some regions of Czech Republic is unemployment rate under 2% (Czso, 2018). All these factors of economic growth of Czech Republic lead to increased purchasing power and higher demand for goods and services.

Import of textile into the Czech Republic reached 6,76B USD, where was activewear from non-knit fabric 61,7M USD and other categories corresponding to outerwear in the total value of 221,6M USD. All these products are imported mainly from Bangladesh, which covers 20% of the whole import than from Germany with 12%, Turkey 10%, China 6,5%. Generally, we can say about this category of products that the main volume of these products comes from Asia and then from Europe (Atlas.media.mit.edu, 2018).

According to research ING Bank in Czech Republic (2018), people approximately spent over 14 000 CZK for sport activities and sport equipment. These activities are financed by savings and surplus from salary. Highest expenses for sport have young, well-educated people who spent significantly higher amount of money than average.

4.3.3 Social-cultural

The Czech Republic has a population of 10 and half million people which is rising every year. The population consists mostly of Czech and Moravian nationality but in Czech is also significant minority from Vietnam and Ukraine. Czech Republic border on Slovakia, Austria, Poland and Germany which covers almost half of the border. More than 55% of the population is without religion than 35% are Catholic and the rest 10% are a different religion (Zemepis.com, 2018).

Czech people are well-known for their great manufacturing skills, hardworking attitude, punctuality and increasing high level of productivity. Moreover, Czech is really proud of their culture and history. High level of free education, freedom, opposite of open-mind these is typical attributes of Czech culture. On the other hand, all these attributes are influenced by the recent history of totality in Czech. Czech people also like their products, and culture in all forms, from drinking beer to national theatre and literature (Eurozpravy.cz, 2018).

Czech people are passionate sportsmen. From running, hiking, skiing, ice hockey and volleyball to Moto GP. People in the Czech Republic watch sports but also do it too. Thanks to geographical position in the Czech Republic we can do almost every kind of sport. According to research o Factum company, the most popular sports are cycling, skiing, hiking and swimming (Digital, 2018).

A new perception of consumers describes post demographic consumerism. It does segmentation of customers in freely way. Young people are more open to experiments, with fewer preconceptions, and usually discover new products and services earlier. They are able to adapt to new processes and do not defend themselves in accepting innovations. Therefore, new brands and products are able to spread among other demographical groups. There are several lines of factors but all of them are based on four basic post demographical dimensions. It is defined by attitude, permission, desire, and ability (TrendWatching, 2018).

4.3.4 Technological

The Czech Republic is fast developing country. In 2016, with 82% of the population connected to the internet and future assumption is that this number will increase. Moreover, in age category from 16 to 24 years, is level of connection to the internet 94% (Czso, 2018).

Popularity of e-commerce increasing every year. In 2017, Czech people spent more than 115 billions of CZK on e-commerce stores and interannual growth was 18%. Czech is the fifth country in Europe with a share of e-commerce on the market. The positive forecast predicts even higher growth of e-commerce on the Czech market (Ceskenoviny, 2018).

Textile industry is becoming more and more sophisticated and demanding more technologies than before. New technologies and fibers changing the industry. Manufacturers are focused on implementing new more effective processes into production and tries to improve effective use of materials. In these days companies compete who will create more functional material than other with well-balanced attributes such as breathability, waterproofness, and mechanical resistance. In other parts of the industry are afoot significant changes too. Designing, fashioning, and marketing of garments is now more important than before (Nalehko.com, 2018).

4.3.5 Legal

Tax of natural person is in the Czech Republic 15% and corporation tax is 19%. Company has to create a reserve fund from its profits. Czech Republic has two levels of the VAT, normal VAT rate is 21% and reduced VAT rate is 15%. It includes goods such as food, water, book, medicaments etc. basically basic goods of daily use (Miras.cz, 2018).

Complete outerwear brand cannot be in operation without legal protection and registration at Office of Industry and Mental Ownership. It is in the category of "protection stamps". Protection stamp is created for markets where brand operates. The Czech Republic adjusts issues of protection stamps in law no.137/95Sb.

4.3.6 Environmental

The Czech Republic tries to increase protection of its environmental and follow the pattern of western countries such as Germany and Austria. In 2017, share of renewable sources of energy on final consumer of energy was 15%, hydroelectric power stations, solar power stations, biomass power stations and biogas power stations have portion 3,5% each and wind power stations 1%. According to development plans, the Czech Republic plans to increase the share of renewable sources of energy to 20% by 2025 (TZB-info, 2018). Renewable sources of energy are really sensitive to nature but their technology is one of the most expensive. Therefore, this policy has an impact on the final price of energy.

Individual and companies in Czech Republic sort waste into eight different bins. According to Inside s.r.o. (2018) 73% of Czech citizens sort waste. It motivates people because sorted waste is for the fee, the general is for a charge. Effectivity of collection sorted waste is increasing and Czech government and EU support education about it.

In past years, new trend came up. It is "green clothing", classical textile industry significantly pollutes the environment as their production and processing involves chemical intensive applications. Also consumes large amounts of earth's natural resources. Green clothing goes in two ways (B the Change, 2018).

First one tries to create functional materials and membranes without wasting resources and polluting environment. For example, Swedish brand Fjallraven made eco-membrane and Patagonia and several other brands also (Fjallraven.com, 2018). But these membranes have a relatively high level of quality but not as high as Gore-tex membranes and others which came through several years of development. Therefore, it is a question if consumers prefer membranes sensitive to the environment or extremely functional and durable membranes tested by time.

Second way tries to recycle old clothes and other materials from which produce textile, these clothes are durable and for the relatively affordable price. Popularity of these textile grows due to subsidiaries of EU. This factor supports trademarks which prove origin and fairness of goods such as FairTrade, Earthsure etc (Dgrade.com, 2018).

Second hands clothes are treats for clothing market, this trend is typical for larger cities but it is still not as popular as in western countries such as Germany. Second-hand stores usually offer clothes for fraction price and present themselves as the protectors of environmental. However, fashion stores with basic clothes should concern about it, functional outerwear with functional attribute usually people do not buy from second hand.

4.3.7 Evaluation of PESTLE analysis

Short evaluation of the most important factors from PESTLE analysis:

- The political situation is not so stable as it can seem on the first look but it does not endanger businesses.

- The economic environment is healthy and purchasing power is increasing.

- Outerwear retailers order good mainly from Asia and Europe, the leader is Bangladesh with 20% of import.

- Czech people love sports, mainly skiing, cycling, hiking, and swimming.

- It is easier to aim at younger consumers, it is easy to persuade them to buy a product, they are open-minded and give chances to new brands. Then spread awareness about the brand.

- Nowadays is really important to sell products online. This sector rapidly grows every year.

- In outerwear industry companies have to sustain in constant product developing.

- Brand is protected from the side of Office of Industry and Mental Ownership.

- Czech Republic protects its environment and supports its protection by subsidies from EU.

- Threat for current outerwear product is "green clothing" and newly developed eco-membranes.

4.4 Definition of the target market

Target market with several segments is not easy to identify because for target segments of customers are not accessible statistic data. However, the author will describe typical features of segments typical of the target market. Target market could be divided into three parts freestyle skiing also called freeskiing, snowboarding and freeriding.

Freestyle skiing

Freeskiing is type of skiing which is situated in snow parks, terrain parks or various terrain which enables to demonstrate riders creativity and skill. It is inspired by snowboarding. Freeskiers have to be fit to be able to jump and do rotations on horizontal and vertical axis, next important factor is a balance which skiers need to be able to slide boxes and rails in the park.

Snowboarding

Same as the freestyle skiing, snowboarding is recognized in the Czech Republic after revolution in 1989. This sport is situated on slopes, into snow parks, and into free terrain. In the Czech Republic, the biggest fame of snowboarding was around the year 2008. Because most of the snowboarders ride usually on the slopes they do not have a high demand for functionality and design of outerwear such as park riders and freeriders. Therefore we cannot consider the whole segment of snowboarders as a target segment just part of consumers which rides in the park and freeride and need higher quality clothes.

Freeriding

This part of the sport is typical for skiing and snowboarding too. It is defined as riding in unkempt terrain which provides amazing experience but also requires a specific set of skills. It is extremely strenuous on equipment, its durability, and technical parameters. Therefore, freeriding is usually matter of "older people". In an expression of this focus group, it means 30+ years.

4.4.1 Number of potential customers

According to Czech Skiers Association (2018) in a number of amateur skiers is over two million, and currently, Czech Skiers Association unify 14 thousand members. Geographically this data proceed from Czech ski resorts and skiers which do this sport outside the borders are not part of the survey. Possibly a number of skiers are a little bit higher than state Czech Skiers Association. Czech snowboarding association supposes, that on snowboard in these days ride over 200 thousand riders. (Czech-ski.com, 2018)

4.4.2 Age groups

Freeskiing and snowboarding are young sport which started to be recognized in the Czech Republic after the revolution in 1989. Due to this fact, its popularity of these sports was rapidly starting in the new millennium. Pioneers of these sport such as Jiří Volák or Lukáš Mikula, who promoted these sports since its beginning, are almost 40 years old (Volák and Mikula, 2009). It testifies about age category of these sports. Therefore, people which are interested in snowboarding and freestyle skiing are from 15 to 35 years old. With such a physically demanding sports people are basically able to do it till 45 years. Falls and

serious injuries are relatively normal in these sports. Therefore, insurance companies put freeskiing, freeriding and snowboarding into extreme sports group with higher risk of injury. Another part is freeriding where is this age limit push to almost 60 years because physical form is not needed.

4.4.3 Financial demands of the market segments

Freestyle skiing and snowboarding are high prices demanding sports. The first thing is equipment, in case that customer buys everything new, without any discount new pair of skis or snowboard cost in average 15 000 CZK, another 10 000- 15 000CZK customer need for outerwear. One day of skiing or snowboarding costs from one to two thousands of CZK and in abroad even more. When we take into consideration level of salaries in the Czech Republic (part 4.3.2) this sport is for people with average or higher income or passionate lovers of these sports. On the other hand, people usually buy equipment for several years and do not need to change it every season.

When comes to freeriding financial demands of the sport increasing much more. Special equipment which is needed cost almost double of the mentioned costs. Because in the Czech Republic are not favorable conditions for freeriding, riders have to travel behind the borders and it makes it more expensive also.

4.4.4 Kinds of stores on the market

On the market, we can find several kinds of stores which sell equipment for skiing and snowboarding but they are differently focused on customers groups and their needs. Author divides these store into three main store groups and their attributes describe below.

Specialized stores

Specialized stores are usually small stores or retail chain of small stores from two to five branches. They usually offer a large range of products from several brands focus on few types of sports, but from its range of products are able to choose from beginners to experts. Equipment is accessible for normal or little bit higher prices with minimal discount in season and after season usually are made with large discounts. In this kind of stores, consumer usually finds higher quality outerwear which is accessible on the market

and larger stores which are focused on more sports do not offer them. On the other hand, store assistance is well-educated about equipment for given sport and are able to give and advice to beginner or expert. All this usually sell on their e-commerce also and offers several channels where they can advise you suitable product. Usually offers service and repairs of equipment. Some of them even course using it.

More focused and successful stores build up their brand identity really well. They use large volume of several marketing and branding tools to attract the consumer. Stores such as Snowpanic or Snowboard Zezula aim its strategy on social networks, such as Facebook, Instagram, and YouTube but create brand personality even better than original brands. Thanks to their support of community events and store riders teams where you can find well-known riders from the Czech Republic. All these features increase their competitiveness against larger stores.

Sport stores

Sports stores are usually from small to medium stores. They are focused on all sports which are most popular in eyes of their customers. They offer a wide range of products from wide range of brands. Because store want to satisfy as many customers as possible range of products to concrete sports is small or medium. It depends on popularity of the concrete sport. Beginners and middle-advanced sportsmen are able to satisfy their needs there. Prices are on middle level with regular discounts and sales action. From qualitative point of view, products are of low and medium quality because expensive products are just for small group of customers who usually shop in specialized stores where are able to provide better advice. Shop assistants usually have general knowledge about sport and equipment which is needed but they are not able to assure such as high quality as specialized stores.

Brand communication towards customers is based on large marketing campaigns focused on wide range of potential customers. Sports stores try to persuade them the all their needs can be satisfied there with reasonable price with professional services through large scale of sports. Typical example of sports store is Decathlon, Giga sport, Direct sport, Hervis

sport, Sportisimo etc. Most of them have also e-commerce or at least offer reservation of the goods in the store. Several of them offer basic service of equipment.

Hypermarkets

This kind of stores offers wide range of products such as food, grocery, electronics, sports equipment, clothes etc. Sports equipment and outerwear are moreover complementary goods which serve as enrichment of the whole assortment. Range of sports outerwear is small and low quality. Usually, attract customers at low prices which are accessible for all. However, for sport such as skiing and snowboarding clothing have to meet certain level of technical attributes which in this kind of store is hard to meet. Hypermarkets typically have not any type of branding communication in case of sports outerwear and sales and discounts are promoted with another type of goods.

4.5   Competitors

In order to define competitors on the Czech market author did research, where looked into several e-commerce's stores, several Czech brands, and brands which are accessible for freeskiing and snowboarding in the Czech Republic. He focused on range of products, its range, price and brand attributes which make concrete brand special. All finding of this research is mentioned below in frame definition of competitors on the Czech market. Author take into consideration only original brands which are sold directly or in store under the other brand. Brand of stores is not taken into consideration.

From point of view low-end and high-end competition in the Czech Republic, we can find both of them. However, low-end competition is in small extents. This almost unknown brand which is being sold by super markets is not competitive with products of Virtika. It usually costs around 30% of Virtika products but quality and technical attributes are not comparable because these products do not have any of them. Stores aim at the customers which demand the lowest price and almost unacceptable technical attributes. Brand communication is almost none. For example, these brand are Circvit, F&F etc. For purpose of this thesis, author will not include low-end competition in other parts of the thesis because it is incomparable and irrelevant for the market.

On the other hand, on the Czech market is large volume of well-beaten track brands which can define as high-end competitors. They are on the market for several years, with sophisticated and well-developed products which offer top quality. They follow their marketing strategy and brand strategy with respect to rules and values of their companies. Most of them have large range of products which can satisfy beginners, advanced or expert skiers, and snowboarders. Team of brand riders and sophisticated and considered marketing communication which allows them to approach the right potential customers. For example, these brands are: Horsefeathers, Armada, Oakley, 686, Nitro, Nugget, Burton, O'Neill, Quiksilver etc.

4.5.1 Brand competition

In case of brand competition, it is necessary to define how is the brand competition apparent for the purpose of this thesis. Brand competition is defined as a fully comparable product with the same technical features with the same price. On the Czech market, exist several brands which put similar technological features into their products, and membranes with really high waterproofness and breathability. But when we take price into consideration none of these products are able to compete with Virtika 3L Signature Line. In this ratio of price and quality could find competitive advantage in future expansion to the Czech market and alternatively build up an advertising campaign which demonstrates advantages of Virtika outerwear.

4.5.2 Industry competition

In terms of industry competition, industry is seen as outerwear brands within nationwide Czech market. For the purpose of this thesis, author takes into consideration mainly high-end competition. Focus is put on outerwear companies and their higher lines of outerwear which should be comparable with Virtika 3L Signature Line. On the Czech market, author was able to identify more than 25 brands which are focused on freeskiing and snowboarding. To identify most relevant competitors, author took into consideration four factors which helps him to separate the most relevant brands. These factors are price, quality of membrane (quality of waterproofness and breathability), other technical features such and number of pockets, snow belt, ventilation zipper etc. and awareness of

the brand. All these factors together create selection criteria for the key competitors (Appendix 8.3).

4.5.3 Service competition

In case of service competition, in climbing, military and hunting industry are products which could be an alternative choice for consumers. Assumption was made that people who want more multifunctional outerwear for several activities they may decide to buy some of those products. It matters in which proportion customer will do certain activity because cut, style, and technological features are adapted to movements and demands of certain activity. For example, customer decided to buy climbing jacket for climbing, hiking, and skiing. In case that his primary activity is climbing he could be satisfied but in case of skiing cut will be definitely shorter, jacket is not insulated, and does not have technological features for skiing equipment. Moreover, customers which are passionate skiers or snowboarders would prefer outerwear made for purpose of skiing and snowboarding. Customers which are looking for more multifunctional outerwear may choose different option but shell jackets could be acceptable alternative for them.

4.5.4 Race competition

Race competition is defined as efforts of all companies on the market which are seeking for consumers money. In case of race competition, we can engage competitors in brand, industry and service level and all other companies which offer outerwear products, clothes, equipment, tools, or service. To monitor such a massive volume of potential competitors it is impossible and assumption about race competition is based on general trends in each industry. However, skiing and snowboarding are popular sports in the Czech Republic and author did not recognize any significant changes in industry.

4.5.5 Summary of competitive vectors

Outerwear segment on the Czech Republic market is well-developed. It offers quite a diverse portfolio of products from low to high price which different variety of technical features which are suitable for various scale of customers. From beginners to experts and different kinds of skiing and snowboarding. Low-end competition does exist but because of technical difficulties is not developed such as high-end competition, Where is more

well-established brand which built up their brand awareness during the time and customers know them less or more. However, Virtika outerwear offers the best proportion of price, quality and technical features of its products which gives it chance to succeed. Due to all these facts the thesis takes into consideration only high-end competitors.

Brand competitors exist in the field of quality and technological features but when price is added into equation brand competition almost do not exist, because it is not able to provide such a low price as Virtika. In order to define industry competition, author identified over 25 brands which is focused on freeskiing and snowboarding segment. These brand offer large range of products in various level of technological features, quality and price. In order to put Virtika 3L Signature line onto benchmark, author did research of products, where those four criteria to identify position of the 3L Signature line. These criteria are price, membrane, technological features and brand awareness.

Service competition was identified in stores which are focused on climbing, hunting and military outerwear which have a membrane and similar technological features but this outerwear is not given for skiing and snowboarding and some of its attributes can destroy feelings and comfort during skiing and snowboarding. However, it depends on customer and proportion of activities which planning to do in the outerwear. Race competition can be seen in almost every hobby or service which is on the market. Czech people like freeskiing and snowboarding. This kind of competition can be monitored in trends which in case of freeskiing and snowboarding sustaining on the same level. Therefore, race competition is not too much taken into consideration.

4.6   Key competitors

Possible relevant competitors emerged from emerged from the analysis above. They are brands positioned in high-end of the segment. These brand are for the purpose of analysis divided into group which is focused on freeskiing, snowboarding and both sports. This part of thesis, competitors are analysed more in detail. Focus is put on their general information and its branding attributes which are positioning, personality and communication.

Sport	Brand
Freekiing	Armada
	Picture
Snowboarding	Horsefeathers
	Burton
	DC shoes
	Nugget
Both	Oakley
	O´Neill
	Quiksilver

Table 3: Relevant competitors (Source: created by author)

Analysis is based on relevant data, which are accessible on the official websites of brand and its social media channels. All this information is summarized below and statistic about communication at social network is places in Appendix 8.3.

Armada

Armada was established in the early 2000´s by pioneers of freeskiing. Behind this brand strands famous professional riders such as JP Auclair, Tanner Hall, JF Cusson, Julien Regnier and Boyd Easley. This crew was poised to adapt the team-based model of snowboarding and skateboarding to a ski brand. However, main focus of the brand is producing and developing perfect skis and outerwear collection support and complete overall brand image (Armada Skis, 2018).

When we look at Armada positioning attributes of outerwear collection is designed for riding in Snow Park and freeride. To this purpose correspond membranes and technological features. Armada offers four different product lines in different price categories. These categories complete "Zero collection" which profit come to charity. **Personality** of Armada can be described as a "freeski boom". In other words it means that skiing is more than just hobby it is style of living. This personality is supported by pro-riders team where is twelve member from the whole planet. In their areas they are icon of this sport and their life shows the right meaning of "freeski boom". **Armada´s communication** is based on social networks where promote its products. Most of its

communication comes from athletes which regularly share videos and photos from their life. A lot of products are displayed in freeski clips and movie where potential consumer can see their potential, durability and qualities.

Picture

This company was established in 2008 by three friends in French Alps. The main goal of the brand is sustainable development of its products. Products are made from recycled fabric, PFC-free and can be recycled. The brand is completely transparent so consumer can find factories where the outerwear has been made and which transport was used to get into the stop to decrease carbon footprint. Picture introduce winter and summer collections during the year. In winter they are focused on freeskiing and in summer on surfing and kiting (Picture, 2018).

Picture has three line of clothes from snow park to freeride and casual wearing. On the outerwear is different membranes and technological features with correspond with purpose of use. Price is a little bit above average but it is caused by transparency policy and "green clothing" processes. On the other hand, brand attracts many customers by green thinking and sustainable policy of their products. **Personality** of the brand correspond with its positioning. Personality can be described as a green thinking person with sense for nature and its protection. **Communication** promote mainly green idea of the brand. Picture slogan is *"Protect yourself and protect your playground"*. Company communicate mainly on social networks by products video introducing green processes of the brand and videos of its pro-team which contains nine members mainly from France.

Horsefeathers

Horsefeathers clothing was established in 1989 in British Columbia by Hanuš Salz and Pavel Kubíček. After the revolution in Czech Republic Horsefethers moved back to its home country. Since the beginning brand is focused on snowboarders and skateboarders. Company produce its outerwear from recycled fabric and try to decrease impact on environment. The brand is well-known mainly in Europe but also in USA and Japan. Horsefeathers introduce winter and summer collection every year. During the time is more focusing on the snowboarding segment. In opinion of author Horsefeathers is the

most significant threat for Virtika because brand is really popular in Czech Republic and people wear it product also on other activities than just snowboarding and skateboarding (Horsefeathers.cz, 2018).

Company has five line of outerwear which could be used in cities, in the snow park or in the free terrain. Technological features and quality of membranes is the most similar to the Virtika. Prices are little bit higher than Virtika´s. **Perfonality** of the brand is based on snowboarding and its life style. It is free, creative, performing with responsibility for nature and other human beings. **Global communication** is spread by social media, mainly by Facebook and Instagram. The pro-team consist 8 well-known riders and local team consists 21 riders. It provides good volume of materials for commercials. Horsefeathers is significant sponsor of snowboard scene in Czech Republic and producer of the first Czech snowboard movie.

Buton

Company was established in 1977 by Jake Burton Carpenter in Vermont, USA. Jake was one of the pioneer of snowboarding and served a pivotal role in growing snowboarding from a backyard hobby to a world-class sport by creating ground breaking products, supporting the world's best riders, and pushing more resorts to allow snowboarding. Nowadays it is the most famous manufacturer of snowboards and outerwear for snowboarding. Last two years company try to reduce its carbon footprint and became to recycled fabric and more sensitive processes in manufacturing. However, Burton manufactures and develops mainly snowboards and outerwear is on the second place (Burton Snowboards, 2018).

Range of products consists four lines of products made for snowboarding on the whole mountain. Burton uses outsourced membrane such as Dry-tech and Gore-tex, therefore prices of products are high and technological features are above average but brand like Horsefeathers and Virtika have them more sophisticated. **Personality** of Burton could be described as a pure snowboarder. The whole personality makes complete the most famous pro-team on the snowboard scene, it consists 29 professional riders. **Communication** toward customers is widely done on social networks and in several movies and clips

which Burton produce every year. In the stores Burton has professional shop assistants which are able to recommend the best product for concrete consumer. However, number of shops in Europe is really small.

DC shoes

DC shoes was established in 1994 in golden age of skateboarding. Thanks quality shoes for skateboarding, and renowned action sports is one of the biggest in its segment. During years company expanded and start produce apparel, snowboards, snowboard boots, outerwear, and accessories. Now is the brand famous in skateboarding, snowboarding, and motocross. However, the brand is famous in USA and in Europe is not one of the most popular. Due to its size cannot be take demand of customers into consideration and changes need more time (DCshoes.com, 2018).

On the USA market DC shoes has one of the largest range of products in case of outerwear for snowboarding, but just a fragment of these products is available on the Czech market. For higher lines of products DC use patented membrane SympaTex and for lower lines their own. Prices of the highest products are comparable to Virtika´s but Virtika offer more technical features. Brand personality is shattered into three sports snowboarding, skateboarding and motocross. Personality seems to be freestyle oriented, loaf around, free-minded with sign of creativity. **Personality** should complete diverse team of pro-riders which consists 12 riders. **Brand communication** is toward consumers is spread by Facebook, Instagram, YouTube and Vimeo. DC has the highest average number of followers from competitors.

Nugget

Pure Czech brand was established in 2000. Main idea is focused on snowboarding, skateboarding and music. Brand operates just on Czech and Slovakia market. Generally it is not one of the most popular but for customers which wants to support Czech companies is important. In this analysis is mentioned because brand personality is really similar to Virtika´s (Nugget.cz 2018).

Nugget introduce summer and winter collection every year. Summer collection is wide and popular. On the other hand, winter collection is narrow and it is not as popular as the summer collection. Membrane and technological features are below average and prices are on the same level as Virtika´s. **Personality** is free-minded, creative, and action. Sometimes personality can seems as rastafarian with consuming light drugs and alcohol. As other **brand communication** is focused on social network and brand ambassadors. In case of Nugget clothing team consist just 3 riders but on Instagram and Facebook are identified several ambassadors which promote this brand.

Oakley

Company was established in 1975 by Jim Jannard. Brand gained its fame from producing sunglasses, glasses and other type of googles for different sports. Main object of the company is producing and developing glasses of all shapes and functions. Brand complement sunglasses by outerwear for sport to which produce glasses such as cycling, golf, surf, mountain biking, snowboarding and skiing (Oakley.com, 2018).

Range of products is weak two lines with one product each is not really competitive in case of Virtika. Technological features are not so sophisticated and membrane is from Gore-Tex which increase price high above Virtika. However, Oakley reached such a high fame in the world that its outerwear collection is sold out. **Brand personality** is spread into more than hundred athletes in different sports. Generally in all sports Oakley support just athletes with great sport´s performance and high prestige which testify about almost luxury brand. **Communication** is well-established on social networks, brand support every significant competition or event which is relevant for its segments.

O´Neill

O´Neill was established in 1952 by Jack O´Neill. It is the first surf rand in the world and intentioned of wetsuits. This primary surf brand growth rapidly and due to constant innovation it is imperium in its segment. Nowadays produce outerwear for all sports in the sea and in mountains. It is environmentally responsible and supervise on fair remuneration of their employees in factories. Jack O´Neill established O´Neill sea

Odysea which has a target to encourage the protection and preservation of our living sea and communities (O'Neill.com, 2018).

Range of products in in O´neill lightly below average with two lines of snow jackets and pants. Technological features are on the lower level and quality of membrane is average. Prices corresponds with quality of outerwear. **O´Neill´s personality** is innovative, green thinking, creative and crazy with modest life philosophy. Its snow pro-team consists only from 6 riders which are really famous for their creative riding style which strengthen brand personality. **Communication** towards customers is made by social networks, on events and stores of O´neill.

Quiksilver

Brand was established in 1969 main aim of the brand is combine function, fit, art and fashion to develop board shorts and clothing for mountain and ocean lovers across the globe. Qiuksilver is interested in protection of environment and its program Repreve is focused on recycled materials from plastic bottles and clearing ocean. Company has its own foundation to support these processes and improve life quality of current and future generations (Quiksilver.com, 2018).

Quksilver´s range of products is above average. Products have different membranes from the highest line of Gore-Tex to lowest ones which are developed by the company. In the same spirit outerwear has technical features. Prices are higher than other competitors but strong brand name provides great loyalty of customers. **Brand personality** makes professional athletes with green thinking mentality and their names are icon for their sports. In case of snowboarding Travis Rice is one of the best snowboarder on the earth. **Communication** is focused on social networks and creating action movies which looks more like a document which brings another added value into it. It differentiates Quiksilver movies from another.

4.6.1 Evaluation of key competitors

Key competitors mentioned above are relevant, because they sell similar products which attracts potential customers of Virtika. All these competitors are placed in high-end

competition of their segments. They are well-known in their segments and even some of them shaped their segment in today's form. Most of the competitors is focused on several segment of action and extreme sports such as surfing, motocross, kitting, alpine skiing etc. It could be seen as Virtika´s advantage or also risk. It depends on point of view. Expect Nugget clothing, all other brands operate on several continent of the globe and reach number of customers because of different range of products and more frequently collection of outerwear.

Competitor´s range of products have more lines with wider offer of membranes, and technological features so less-demanding customers can be satisfied for lower price. On the other hand, most of the competitors sell similar products to Virtika´s outerwear for higher price which is sometimes even 80% higher. Brand personalities are different but key characteristic are same. Every brand completes its brand personality by pro-team of riders which promote and show incredible things which customer can do with products of the brand. In brand communication of the companies was identified several trends. The first trend is massive campaigns on social networks. The second is sponsoring and creating freestyle and freeride movies where rides pro-riders of the brand. Third trend is promoting products by pro-riders, ambassadors or ski resorts.

The most significant and important trend which larger companies do is question of sustainability. Companies make their products from sustainable fabric, some of them all some of them have special line of sustainable products. They take care about fair rights of employees in manufactures. The largest ones even established foundations to protect environment. This trend author identifies as of the crucial for future development on the freeski/snowboard market.

4.7 Customer requirements

In order to identify customers' requirements, preferences and their perceiving of the current market. Author used qualitative form of research by questionnaire. In order to access relevant samples of sportsmen to achieve objective consumers opinion author focused on selected group on social media. For purpose of the research was used several

types of closed answers. Questionnaire was published in social group on the Facebook which are interested in freeskiing, snowboarding and freeriding. These groups are: Freeski help, Skial/frreride z Brna, Skialp bazar, Snowboard bazar and snowboard and ski bazar.

4.7.1 Research questions

Main purpose of the questionnaire is to find out how consumers perceive current brands on the outerwear market in Czech Republic. How perceive attributes of branding communication a level of influence branding communication on final customers. Then author try to find optimal proportion between design, technological features and price of products and importance of these factors in final decision of customers. As a last factor author tries to find out awareness about Virtika and its products and interest of future potential customers to buy its products. In order to these aims research question can be define below:

- How consumers perceive current brands on the freeski/snowboard market?
- How consumers perceive branding communication of brands on the freeski/snowboard market?
- Which attributes of branding communication influence consumers most?
- How factors of price, design and technological features are important for consumers?
- Where does consumer prefer to buy outerwear products?

4.7.2 Analysis of questionnaire

Final analysis of questionnaire completed 120 correspondents. Men consists 96 which is 80% from total sample and women 24 which is 20%. From decomposition of sample testify about popularity of action and extreme sport between genders. Assumption is that this kind of sports is more popular and attractive for men.

Age group of correspondents was divided from 0 to 15, then with 58 years interval to age group 35+. Assumption that freeskiing and snowboarding are young sports, therefore freeskiers and snowboarders are young too, mentioned in the chapter 4.4.2. was

confirmed. Age interval from 16 to 35 years has 98,3% which is 118 correspondents. This question confirmed target age group for Virtika outerwear.

Almost every correspondent use social networks mainly Facebook, Instagram and YouTube. Other social networks such as Google+, Twitter and Snapchat correspondents use just in 10% and other social networks correspondents do not use. On social networks correspondents follow primarily their friends and athletes. Half of the correspondents follow social account focused on some interests and just several of them follow brands, shops and bloggers. This two questions support trend mentioned above that main communication channels of brand are usually Facebook, Instagram and YouTube. Decision to have a pro-team of your brand was also confirmed.

Over 80% of correspondents confess that their opinion on brand or product is influenced during the shopping process. Most of them take into consideration advice of their friends, over the half recommendation of the professional athlete, just a fragment take into consideration advice of brand, blogger or store. Correspondents notice which brand of outerwear and equipment use professional athletes more in 80% of cases. Sponsoring of events, gigs, competitions, and another cultural events make interest in 70%. These set of question supported trend of pro-team of athletes and their significant influence on final customer.

Correspondents perceive brands on the current market and are able to differentiate them. In order to their popularity and brand awareness. The most popular brand, on the Czech market, is definitely Armada skies which reached score over 62,5%. Then around a score 50% reached brands Oakley, Line and Faction. However, Faction and Line are famous freeski brands but they do not sell outerwear therefore are irrelevant. then there is a huge group of brands which are sympathetic in average to 30% of correspondents. These brands are Burton, Volcom, O´Neill, Horsefeathers, Nitro, Quksilver, DC shoes and Picture. The rest from 20 brands reached value around 10%. This question confirmed some of the key competitors on the Czech market, some of them seems for correspondents unattractive such a Nugget clothing.

More than 50% of correspondents do not know Virtika brand. When we take into consideration that Vitika outerwear currently operates on the American market it is quite good result the rest of the correspondents know it. 97,5% of correspondents expressed interest in possible option to buy Virtika outerwear on the Czech market. Some of them are confident some of them are not sure.

Several question investigate importance of price, design and technological features in correspondent´s opinion. Correspondents could from the lowest importance to the most important on scale from 1-5. Quite surprising fact is that over 50% of correspondents said that price has a middle importance which is the lowest from all three factors. On the other hand, over 90% of correspondents said that design and price are really important for them. The highest mark of design and technological features received over 50%. In other words, technological features, design and overall quality have higher preferences than price.

Correspondents was asked in which kind of store they prefer to shop outerwear for skiing and snowboarding. 97,5% of correspondents prefer to shop in specialized stores and e-commerce just over 20% of them prefer sports stores and used outerwear which they can buy on social networks. Almost none of them prefer super and hypermarkets. Results of this question testify about the advantages of specialized stores.

4.7.3 Evaluation of questionnaire

The questionnaire helps to identify preferences of customers. Thanks to relevant sample of correspondents' answers could be really taken into consideration because correspondents have knowledge of the market and brands which are there. By the final results of questionnaire, most of the assumption about target market made above are justified.

4.8 Competitive maps

Based on customer requirements identified in analyses and questionnaire with typical behavior of patterns of competitors, are identified criteria for competitive maps. These criteria are a range of outerwear products, price, the image of the company, overall quality, membrane, technological features, and range of services.

For the purpose of this thesis overall quality is understood as a combination of technological features, membrane, and impression of design. However, in case of quality, all competitors are still in the high-end sector and differences are made with higher precision and with a sense of detail. Image of the company is understood as a brand name, popularity on social networks, customer´s perception of the brand. The range of services is defined by services which brands offer to customers such as providing an advice, speed of warranty service, after warranty service, possibility to customize the product, the speed of delivery, and a number of stores.

4.8.1 Defining competitive maps

To define each of competitive maps two criteria are always put together to define one specific competitive map. These criteria were chosen as follow:

- Overall quality x range of products
- Price x overall quality
- Image x overall quality
- Membrane x technological features
- Price x membrane
- Price x image
- Overall quality x service

4.8.2 Competitive maps

Most of the information needed for defining competitive maps is taken from Appendix 8.3. and 8.4. where are captured relevant data about products, its price, quality, and analysis of social networks. Graphical design of individual competitive maps is captured in Appendix 8.7.

Overall quality x range of products

Proportion of price and overall quality is described in this map. Overall quality is perceived as a mixture of the membrane, technological features, and design impression. Range of products is based on a number of lines sell by competitors. Competitors are

equally stand in each quadrant. Virtika with Armada and Oakley are in quadrant A1/B2 with high quality product and low range of products.

Price x overall quality

This map is focused on price and overall quality of products. For the purpose of price, criteria are taken price of the best product in competitors' range of products which is the most similar to Virtika´s product. Only one brand is with Virtika in quadrant A2/B1 where are captured brands with low price and high quality. Most of the well-known brands are captured in quadrant A2/B2 with high quality and high price. In other quadrants with a high price and low quality are two brands and in the last quadrant with low quality and low price are also two brands. This map shows almost equal decomposition of competitors of the market. The only sector of Virtika does not have a strong competition.

Image x overall quality

This map capture relationship of image of brands and overall quality of their products. Virtika is Placed in quadrant A2/B1 with high quality and low image of the brand. It is only brand in this quadrant. Two brands are captured in quadrant A1/B1 with low quality and low brand image. Moreover, all other brands reached high brand image on the Czech market. The proportion of overall quality is almost same on both sides but in the quadrant with high quality is competition stronger. From the map we can assume that brand image is really important on the Czech market and it is not really connected with overall quality.

Membrane x technological features

In this map we can see relationship of membrane of outerwear and technological features of outerwear. Virtka is placed in quadrant A2/B2 with three other brands which represents high quality of membrane and high volume of technological features. Another four brands are placed in quadrat with directly opposite attributes, bad membrane and low volume of technological features. Quadrant A1/B2 and A2/B1 are captured by one brand in each quadrant. From this map, we can make assumption that relationship between technological features and membrane is in correlation. However, two brands were able to differentiate itself by different strategy of proportion membrane and technological features.

Price x membrane

This mam capture quality of membrane and price of outerwear. Virtika is only representative of quadrant A2/B1 which constitute low price and high quality of membrane. Most of the brands are captured in quadrants A1/B1 and A2/B2 where is clear connection between price and quality of membrane. Only one brand is in quadrant A1/B2 with low quality of membrane and high price. However, this map proofs great positioning tactic of Virtika and ability to differentiate itself from the rest of its competitors. Future issue could be persuading consumers about quality of membrane. Because according to this map there is strong connection which consumers could recognize.

Price x image

This map was focused on relationship between price and brand image. Virtika is placed in quadrant A1/B1 with almost none brand image on the Czech market. One brand is captured in quadrant A2/B1 with high price and low image. The rest of the brands are captured in quadrants A1/B2 and A2/B2 where is captured high brand image. On the base of this map, we can make an assumption that most of the freeski/snowboard brand operating on the Czech market has fully developed brand identify with is hard to say in which level is linked to the price. Definitely, well-developed brand identity persuades consumer to accept higher price even with worse quality.

Overall quality x service

This map is focused on relationship of a range of services and overall quality. Virtika is placed with other two brands in quadrant A1/B2 which represents high quality and low range of services. Just one other brand is captured in part with a low range of services. Due to brands history on the Czech market, they have developed structure and are able to satisfy consumers' needs and provide a large range of services. According to this map, consumers expect these services no matter how quality of the outerwear is. It is a point where Virtika should try to make any changes.

4.8.3 Evaluation of competitive maps

Competitive maps take into consideration different attributes of the brands and put it against each other. It brought some finding which was unnoticed. One of these findings is that no matter how quality and price is consumers expect a large portfolio of services. On the other hand, several competition maps focused on proportion of price and quality attributes confirmed that Virtika is able to differentiate itself thanks to proportion of price and quality because other brands are not able to reach on the price level of Virtika or are not able to provide the same level of quality.

4.9 Porter

To analyze outerwear industry on the Czech market author decided to use Porter's five forces analysis. This analysis identifies bargain power of suppliers, the threat of new entrants, possible substitutes, bargain power of buyers and from these four factors arise level of overall competition. Due to high influence of globalism, some of the trends could be global or are based on a global trend.

4.9.1 Suppliers

Significant mass of suppliers making outerwear and other types of clothing are on the Czech and European market. On these markets are products usually expensive due to the expensive workforce. On the other hand, products usually have higher quality and more elaborated technological features than suppliers from third world countries. Suppliers in Europe are more qualified and usually are certificated for environmental processes in production. However, customers are price sensitive so high pressure is made on suppliers everywhere (Raptis, 2018).

In third world countries are large factories focused on production outerwear and other clothing from different materials and for a different purpose. The biggest advantage of those manufacturers is really low labor force and sometimes braking human and labor laws. That fabric usually use large advantage which brings economies of scale. On the other hand, those manufacturers do not reach such a high quality as European manufacturer. In their processes are not involved environmental sensitive techniques (Raptis, 2018). Some of the global brands have to solve issues connected with

infringement of human rights in their factories, this issues really hard harm a good brand name.

In outerwear, industry is technology developing really fast. Companies try to develop fabric which will have a great durability and proportion of waterproofness and breathability. A new challenge for the European market is banned some of the materials which harm environmental such as Gore-Tex and other carbon-based membranes. Due to this ban companies try to develop such an effective membrane as Gore-Tex. Some environmentally sensitive membranes already exist but they are not such effective and durable (Myoutdoors.co.uk., 2018).

Thus all these facts bargain power of suppliers is **low**.

4.9.2 New entrants

To reach the Czech market is significantly harder for companies from outside the European Union. Its market is well-protected by trade barriers such as tax, duty, and high demands on goods outside the EU has to meet several certifications. On the other hand, companies which have subsidiary roots in EU have work significantly easier thanks to EU policy of free trade on the area of EU. On the top of it, they can gain money from several subsidy programs.

Most of the companies which already operates on the Czech market has possibility to optimize their production according to demand. Due to the fact that most of those companies operate internationally. It allows them to use economies of scale and economies of scope. For the new company could be hard to estimate right volume of products suitable for the market and adapt to increasing or decreasing demand for its goods. Real sales could be significantly different from predicted sales based on analysis.

Nowadays in outerwear industry is really important to build up a brand name. Otherwise, company is predestined to fail. With building a strong brand name are connected with high costs. Therefore company has to be well-prepared and take into consideration all risks and create branding strategy which is focused on target segment (Klug, 2006).

Requirements of technology are relatively high on the outerwear market. To increase high functionality and technological features of outerwear special fabrics are needed. Those fabric needs to be developed and costs of development and production are not cheap. Companies have two possibilities. The first one develops their own fabric which is a high investment and needs time. Second is buy existing fabric such as Gore-Tex, Dry-Tech etc. disadvantage of this fabric is that cost much more. On the other hand, these fabric has already built up their brand name and it can increase demand for products (Gardetti, 2013). With high technological demand comes new challenge to put everything into one product which is well designed for the final customer. This brings another cost which could be a barrier for smaller businesses.

Thus high capital requirements and well-planned entering strategy is threat of new entrants **low**.

4.9.3 Substitutes

Substitution vie could be taken from the two perspectives. First is substitution of outerwear focused on skiing and snowboarding. The second view could be taken more widely from perspective of outerwear generally.

In the first narrower perspective of substitutes was identified several of them. Basically, all products made from durable fabric with high waterproofness and breathability factors could be a substitute. In other words, outerwear made for climbers and hunters which demand similar characteristic as skiers or snowboarders could be an option for final customer. Moreover, technological features is not all. During skiing and snowboarding are made motions typical for this activity. Therefore, outerwear has specific cut and fit, which is not appropriate for climbing or hunting purpose and the other way around.

From the second wider perspective outerwear clothing have substitutes on level of all clothing. However, functionality and materials cannot guarantee quality of outerwear fabric and functionality. Therefore threat of wider perspective of substitutes is low.

Thus factors mentioned above, threat of substitutes is **moderate**.

4.9.4 Buyers

Because of large volume of potential customers and high demand on the outerwear market in the Czech Republic, individual customers have almost none chance to influence final price. In past customers did not have an opportunity find out how wide scale of products is. They were depended on help of shop assistant, magazines and references of their friends. Nowadays is situation on the market rapidly changed. Customers are able to find the best products for themselves. On the internet, they can find hundreds of brands from the whole world, read hundreds of references and chose the best products for them (Pratap, 2018).

One of the factors how customers can influence final price is membership in interests´ clubs. These clubs unify members which same interests. With higher number of members increasing influence power on seller. In other words, seller better provides discount to interest club instead of losing it.

Customers' task in days of internet is really easy. Due to high competition on the outerwear market and almost none switching cost of suppliers. Customers can choose from similar ranges of products from different brands focused on the same market segment. Nowadays customers expect more than just a final product. During the shopping process, they expect sort of services, such as support and advice of shopping assistants, nice packaging or education about materials and advantages of certain product, small refreshment or small sample or gift after purchasing of products.

Protentional huge barrier for Virtika could be willingness of customer try to purchase products of new brand and its strength of link on the current brands on the market. To overcome this barriers Virtika has to develop strong entrance campaign focused on it benefits which should be better than its competitors.

Customers' concentration in outerwear industry is moderate, ability of customers to reach information about products and services of brands is high. Ability to influence price by an individual customer is low. Therefore, overall bargain power of buyers is **low**.

4.9.5 Industry rivalry

On the Czech market is high number of global players. Most of these brands have developed their brand image and their products are known in customer´s segment. Therefore, competition exists in freeski and snowboard segment on the target market. Pressure is made on price and other supportive services. Thus on the market is high importance of strong brand image which helps companies to differentiate itself from other competitors (Klug, 2006).

Each of the Virtika´s competitors on the market has already built up a brand name. Costs which are connected with building a brand name are not minor. In companies budget usually, significant part is taken by budget for building a brand name. Companies try efficiently to achieve customer´s loyalty which is important in outerwear industry and brings several advantages mentioned above. To reach these target companies create customer´s clubs to find out more information about their customers and provide them better service and special actions to increase loyalty and build up a relationship with customers.

Conditions and generally the whole outerwear industry is changing fast. To succeed companies try to follow current trends which are changing all the time. With new trends, new unique challenges are arising. It could be a great opportunity for companies, on the other hand, it could be a huge issue if trend would be underestimated (Keller, 2018).

Great products with interesting design and good quality do not make success on the market, it is more likely standard. Most of the companies which want to differentiate itself or want to join another market face to complex process of planning how to differentiate itself and reach new customers. Marketing, effective distribution and manufacturing are also really important processes which influence the whole process. On the outerwear market is minimal space how to differentiate itself from other competitors. According to

Duff (2018) "Succeeding involves more than just coming up with stylish designs or convincing a celebrity to wear your clothes".

Thus, rivalry factors mentioned above outerwear industry is industry with **high** level of rivalry.

4.10 Conclusion of analytical part

Analytical part was focused on analysis of the current branding strategy of Virtika on existing market in the USA, macro-environmental conditions which influence Czech market, competition to which Virtika has to face on the Czech market, customers perception of the current market and factors which influence their buying decision, by analysis was defined target market and possibilities of selling goods and bargain power on the market.

Analysis of current branding strategy of Virtika on the USA market shows basic frame of branding strategy which has to be kept. However, several methods in communication seem to be ineffective in context of the Czech market. Therefore, some of them need to be changed and next cannot be used for the Czech market. On the other hand, quality of communication on social networks is high and needs to be kept also in the Czech market.

Macro-environmental analysis of the Czech market shows Czech economy is in great condition and can be estimated that this condition will continue. Political situation is country is moderate and do not block businesses. Czech economy is in excellent form with low unemployment rate, low inflation and increasing average wage are ideal for new companies which seek to find new customers. Czech law system is able to protect brand really good. Czech society which generally loves sport and is able to invest significant amount of money.

Defining the conditions on the target market and its basic attributes show that market is huge enough for other brand and customers seek to try new and different products. Customers' perception of the brand on the Czech market helped to identify main

competitors of the Virtika. Questionnaire proofed that customers are willing to pay money for quality and well-designed product and are interested in Virtika brand.

Analysis of the main competitors finds out key aspects of their branding strategies which are in some attributes similar to Virtika's strategy. On the other hand, this analysis help to set attributes of differentiation from other brands which are in the current market in The Czech Republic. Segment was identified by several factors such as age, gender, type of sport.

Comparison of different factors and attributes by using technique of competitive maps shows gaps in the market which are really suitable for Virtika's product and current positioning strategy which is using on the USA market. Key attribute was confirmed it is proportion between reasonable price and high quality of Virtika's products.

Porter analysis was focused on freeski and snowboard industry and obstacles which has to be taken into consideration. One of the most significant and important trends which were identified is trend of the "green clothing" which is weak page of Virtika. On the other hand, existing barriers on the market from side of competitors, suppliers, and buyers are not really repulsive and market was ascertained as attractive.

5 Practical

Practical part of the master's thesis is focused on recommendation towards the establishing, implementation and development in order to develop Virtika's competitiveness on the Czech market which is specified and defined in analytical part. As was examined in analytical part of thesis, proportion of price and quality differentiate Virtika from other companies on the Czech market. The crucial part of expansion in the Czech market is persuaded final customer that quality responds to products which are more expensive. Moreover, consumer's preferences show that proportion of price, quality and technological features is really important for final consumers. They are willing to pay a little bit higher price for product which proofed its quality and usefulness for freeskiing and snowboarding. Therefore, the main target of entrance branding strategy is highlight quality, durability and technological features of the Virtika's products in comparison to competitive products. In order to achieve those targets, right combination of positioning, personality and communication must be established. After analysis of current brand strategy on the USA market some of the brand attributes must be changed and adapted to the Czech market conditions. In other words, personality is not suitable for the Czech market and some of the communication attributes must be changed.

Main goals of strategic plan for branding can be characterized as:
- Penetrate the market and reach high awareness of the Virtika brand.
- Prove customers that Vitrika outerwear has a high quality for reasonable price. In other words, price level is not always connected with quality.
- Increase competitiveness of the brand.

Thesis is not focused on changes towards product, its membrane, technological features and design. Virtika's product is global and it is not meant to be changed. Possible changes could arise from global demand from all markets where Virtika operates. Therefore, final recommendation will be based on the current positioning of Virtika, which is lightly adapt to conditions of the Czech market. However, product stays the same and will not be changed. Thus, recommendations towards Virtika entrance brand strategy will be focused mainly on the brand personality and brand communication. Strategic plan of entrance on

the Czech market tries to develop brand from the perspective of brand awareness. Author tries build up brand identity which develops certain association with the name Virtika. These association should be linked to high-quality outerwear which works in every situation during the time on mountains, cares about environmental, provides great functionality, comfort, provide protection against all kinds of weather to its user and this all for reasonable price. However, limitation factor of proposal part is that author did not have an access to real data of the company therefore, proposal is not limited by budget and they are not expressed in numbers.

5.1   Brand Prizm

Brand identity based on Ko Floor is great and suitable for purpose of the thesis. However, this concept is based on specific factors. To stress aims and basic brand identity of the brand, author decided to use brand prizm concept to clearly demonstrate targets of the brand on the new market and association which wants to develop. Brand prizm is captured in Figure
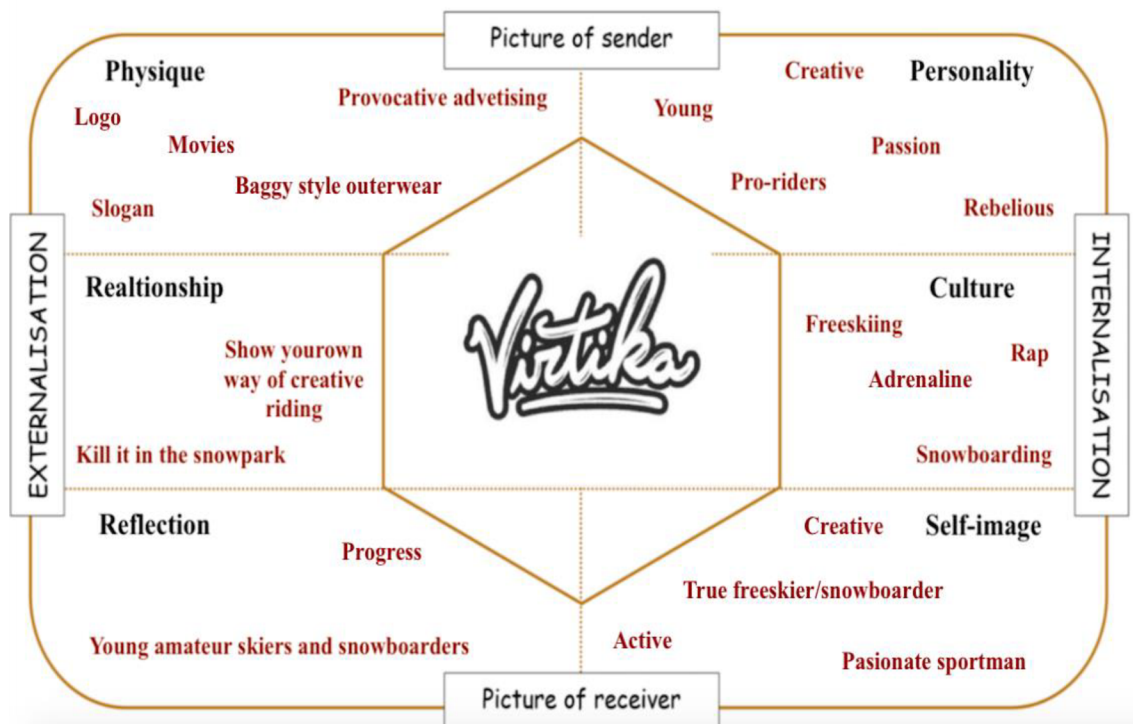
Figure 8: Brand-prizm concept of Virtika (Source: created by author, based on brandsandco.files.wordpress.com/)

Physique

Looking at concept of brand prizm of Virtika captured in Figure 8 is obvious, that strong logo noticeably represents Virtika and therefore, it does not need a change and can be used for purpose of the Czech market. Slogan is not catchy but in simple way depict purpose and main mission of the brand. For the Czech market could be possibly translated into more interesting form for the Czech customer. On the other hand, it is risk and Virtika could lose part of its brand identity.

Virtika's products are icon for scale fans. Old-school baggy cut and creative design with large various colours is recognition factor on the market, with support of provocative advertising campaign became Virtika's advertising viral and cost-effective. Next strong advertisement is movie produced by Virtika.

Personality

Basic aspect of personality should continue in steps which were established on the US market. However, to support Czech personality some of the adjacent aspects has to be changed. Base of personality such as creativity, free-thinking, progress, rebellious etc is suitable but aggressive aspects of personality have to be reduced. Therefore, it is recommended to find out suitable Czech athlete who support personality of the brand and will cooperate with company on suitable style and tone of communication towards potential customers.

Relationship

Advertising campaigns, websites, social media, movies together with pro-athletes try to develop relationship with customer. From all these channels customer receives a message that Virtika tries to support his favorite athletes, movies and generally support development of his favorite sport no matter if it is freeskiing or snowboarding.

Culture

Freeskiing and snowboarding are defined sub-cultures. Part of these cultures is style of clothing, music, specific set of predicted behavior. Aim of Virtika is following trends of sub-cultures. In other words, develop values of these cultures such as environmentally friendly attitude, support creativity, open-mindedness and inspire other in the same

attitude and values. Moreover, support customers to go to the mountains explore them and enjoy activities which they love to do.

Reflection

The typical user of the brand is in this case passionate freeskier or snowboarder who want to ride on slope, in snow park or in free terrain. During his riding wants to enjoy feeling from the ride and do not be disturbed by low-quality outerwear which cannot handle demanding conditions. Because skiing and snowboarding demand significant amount of money customer are able to identify quality product and pay extra money for it and know the money are well invested. Therefore, communication will be primarily focused on customers which fulfill characteristic described above.

Self-image

This aspect shows how Virtika's customers want to be seen when they purchase and wear Virtika's products. Products and brand image should provide feeling that customers engage into freeskiing/snowboarding culture, being creative, progressive, able to handle riding all over the mountain without fear of failure their outerwear. Old school baggy style put them into group of free minding riders with responsible attitude and knowing their limits but they are able to push them.

From perspective of the physique described in the Brand Prizm model, Virtika should keep its design and cut of outerwear for all markets. This is its distinguishing factor due to is able recognize Virtika's products without seeing the brand. Slogan is not catchy at all but depicts base purpose of the brand. In future, slogan could be improved. Logo of Virtika is well-designed and well-known on foreign markets therefore, changing or adapting it for the Czech market wold be confusing for customers who know the brand from other markets. Lack of relationship attributes needs to be improved towards customers.

It is really important to hold positioning, personality and communication together. It is not possible that these three attributes will not be interconnected and not cooperate with each other. This approach could confuse customer and discourage from final purchase of

goods. In another case when branding attributes will be corresponding and supporting each other competitiveness should increase and ensure brand development on the outerwear market in the Czech Republic.

5.1.1 Recommendation towards Virtika positioning

Heading back to Ko Floor (2009) and his concept of brand theory. Virtikas's brand attributes are generally well set for conditions of the US market but for conditions of the Czech market need to be adjusted. Author provides general evaluation of positioning and focuses more on steps of change and long-term recommendations towards Virtika positioning.

It is recommended to focus on differentiating factor which is really successful on the foreign markets. It means keep the best proportion of product's quality and its price. This positioning attitude provides competitive advantage and ensure customers interest. This positioning strategy has to be supported by strong advertising campaign focused on stressing quality of the clothes otherwise customers could doubt about quality of products. Very often customers connect quality of outerwear with its price and this approach could damage Virtika's brand and its products could be considered as low-quality products.

Price is one of the key aspects of the brand strategy. Sustain on the same price level ad in foreign market is really important because for this price customers can get higher quality and for lower price which cannot offer any other from Virtika's competitors. About Czech is well-known that they have passion for shopping with discounts or other special marketing actions. Therefore, it is recommended to sustain in sells promotions which were used on the US market such as free shipping, discount cheque for likes and shares on the social media, percentage discount on the goods for registration to newsletter and acceptation of commercial agreement and Virtika's privacy policy. Author offers to give one free T-shirt with large logo of Virtika to each sold jacket first year. It helps to increase awareness about the brand between people in skiing and snowboarding community.

Because Virtika is US company all their activities are paid in USD. Current situation of USD is unstable and it is threat for the company, by appreciation or depreciation they can

lose or profit on prices of the outerwear. It unpredictable situation is unintended. Therefore, it is recommended to ensure prices for each season by financial forward to assure same price level for the whole season.

Range of products offers one signature line of jackets and pants with and without insulation plus several T-shirts and supplementary goods with accessories. It is recommended to offer the whole segment of Virtika's products. It is really important to stress high quality of membrane and technological features with exceeding competitions' products. To make this range special and more interesting for customers. Author suggests to come up with new design for the Czech market with special set of colors or with design which is geographically typical for the Czech market.

High quality of products is really important for Virtika. Sustaining in development of products and increasing its quality should be one of the most important processes for the company. Well-developed membrane and functionally developed technological features give currently competitive advantage to Virtika. However, in the current world market was recognized trend of "green clothing". This trend Virtika did not recognize as important or decided to ignore it but trend of green clothing is still growing and for outerwear companies are important. Because most of the freeskii/snowboard customers are interested in mountains and nature, protection of it is important for them. Therefore, it is recommended to develop products which are more environmentally friendly product line. It could be reached in several ways. Virtika can produce it outerwear from recycled fabric made from plastic bottles or develop more sensitive membrane for its outerwear because current carbon membrane needs large volume of natural sources to be produced. This step should increase awareness of the brand and attract new environmentally thinking customers.

Products of Virtika are currently accessible only on the e-commerce. It brings several advantages for company which lowers its costs but with these advantages arises one huge disadvantage. Customer does not have a possibility to try out clothes. Form of distribution is not currently decided for the Czech market thus author supposes that form will be the same as on the US market. Therefore, it is recommended to establish showrooms, or

partnership with some stores where customers can come and try out Vitrika's closets, its fit, cut and mainly right size. It could increase sells and reduce number of returned goods.

In author's opinion structure and design of e-commerce is well-designed and have all functional aspects. Therefore, recommendation is to possibility to switch to more languages and set price in different currencies or establish new e-commerce store for each new market. But with this decision arises new issues connected with database systems and its interconnectivity.

5.1.2 Recommendation towards Virtika personality

Virtika´s personality built up for USA market is well-established and its attributes are successful. However, Czech consumers are different and appreciate different values. Therefore, it is necessary to adapt USA Viritka´s personality for the Czech market conditions. The basic frame of personality is set well, thus the Czech personality will be created on its basis but some aspects of personality attributes will be adapt or changed for purpose of the Czech market.

For analysis of USA market and definition of new brand personality for the Czech market is used brand personality ring developed by Ko Floor (2009). Current brand personality of Virtika is well defined for purpose of USA market. For the Czech customer who is more sensitive and appreciates different values. Attributes of personality ring are on the USA market presented really aggressive and for the Czech market has to be aggressive level lower.

Because positioning attribute is same it does not mean that the brand personality of the Virtika must be the same also. The brand personality circle surround positioning mix of the brand. Build up a strong personality needs more than just one personality attribute. Therefore, for Virtika´s personality attribute was chosen several dimensions with corresponds to brand positioning. Customers will associate brand positioning with brand personalities like ruggedness, excitement and competence. Aspects of possible brand personality dimensions are captured in Table 4.

Positioning attribute	Brand personality dimension	Crucial factor within dimension
Price/quality	Ruggedness	Outdoorsy, tough
Price/quality	Excitement	Spirited, daring, imaginative
Price/quality	Competence	Reliable, intelligent, successful

Table 1: Brand personality dimensions of Virtika (Source: Created by author, based on Ko Floor, 2009)

Table 4 shows connection between Virtika´s positioning and personality. Generally positioning on price/quality will be communicated especially by intelligent and reliable with combination of imaginative, daring and up-to-date factors. By these factors will be characterized price/quality. This characteristic Virtika needs to highlight its products and stress quality for customers in the Czech market where the brand is new without trust. Customers receive outerwear which is innovative, technical with unique design and is able to protect them during their time in the mountains.

The other factors such as outdoorsy, tough, spirited and successful are also really important for future brand personality. It should represent values of customers and company which follow. In these values customers should identify themselves as skiers and snowboarders, who are interested in this sport and take care about environment.

Virtika should reach desired personality by these steps. Complete personality should be creative, young, provocative, courageous, with sense of humor, progressive, sporty, adventurous, outgoing. On the top of it it should care about environmental and reduce waste.

Support of brand personality provides team pro-riders which should consist of two to four riders. These riders will represent skiers, snowboarders and freeriders. Ideal athlete for the Czech Virtika team should identify same values as Virtika has or be able to behave in same way as the values. Ideal rider is open-minded, creative, nonconflictual type, with sense of humor, intelligent. Key aspect is his racing career in freeskiing or snowboarding and power of influence on social networks. Rider will not only support and complete brand personality but also will figure in brand communication and spread name of the brand and create commercial materials as riding photos and clips.

5.1.3   Recommendation towards Virtika communication

Brand communication of Virtika on the Czech market has not been established at all. Thus all process of establishing brand communication has to be developed before Virtika enters the Czech market. When we look at the branding strategy of Virtika with focus on differentiating aspects it is obvious the main aim of communication which has to be reached. Main aim of the Virtika´s brand communication is spread awareness about the brand and persuade consumers about great quality of outerwear which is usually reachable for significantly higher price. Through information channels Virtika will inform about current models, discounts, athletes, projects, events etc. It should support reaching the main goal. In other words, communication serves information about everything that could be important for consumer and try to persuade him to purchase product.

Brand communication is really important element of branding strategy because communicate brand positioning and brand personality to consumers. Positioning and personality are more long-term strategy, on the other hand elements of communication can be changed over several days. In the Czech market is several brands which is able to compete with Virtika. Therefore, type of communication will try provide information in different and more catchy style than others.

Ko Floor (2009 in his theory divides communication channels into two groups, in-store and out-store communication. Recommendations towards Virtika´s communications are distinguished into these part too. However, nowadays is really popular most effective online communication which allows aiming at consumers with target preferences. Only limitation of the recommendations are costs of communication which are not known and budget is not set. Thus when comes on realization these aspects need to be considered.

In-store communication

Virtika on the USA market has almost none store in classical way. It helps to decrease costs and lower price. On the other hand, customers cannot try and see products by themselves. Therefore, author recommends some solutions how customers can see

products without rapidly increasing costs. For the purpose of the thesis is e-commerce of Virtika understood as a store.

Store in store

Store in store is a concept where each brand has its part in the shop and brands are divided into selected groups. Costs are divided among all brands which display their products there. It allows decreasing costs and customers can see and try products which they desire for. It is a great place where can be situated other supportive elements of brand communication. On the other hand, in the store could be direct competitors of the brand and shop assistant has to stay neutral. It means that Virtika´s products have to fight against its competitors and risk of choosing another brand is increased. But customer can compare quality with price and Virtika´s products should be the best one.

Promotion materials

In case of using store in store concept, it gives opportunity display other promotion materials than just products. It is recommended to create promotion leaflets, small gifts such as key tags, stickers, appliques, beer openers etc. which would be small present for customers after purchasing the goods. Customer can get discount cheque for the next visit to the store and invitation for future events supported by Virtika in the Czech Republic.

Web and e-commerce design

Most of the goods purchases are made through the e-commerce which is connected with web of Virtika. For the Czech part of Virtika is recommended to design its own shop in the Czech language with option to switch into English, because possible customers from neighbor countries can be interested in Virtika too. On the sites customer come into contact with the brand as whole, therefore it is really important simplicity and clarity of the web and e-commerce. This structure of the web is recommended:

- Introductory page – where customers can see a little bit from everything, Virtika´s products, photos and videos of Virtika´s athletes, information about current events and sell´s actions. It is necessary to put emphasis on switching button into the e-commerce store.

- E-commerce – in this section are sorted out all products in their categories, several their photos, technological description, price, sizes, color variations.

- Shipping – all information regarding shipping, its price, company and method of transport. Possible conditions of warranty and sending goods back to the e-commerce.

- Size charts and fit guide – charts with products lines where is captured each product with basic four measurements for better ideal how is the current size big and cut. Fit guide is photos of riders which wear different sizes of outerwear with their height and weight so customer can imagine how the outerwear could look at him.

- About us – all information about company, its history, story of establishing the company, development, current goals.

- Our technology – part where is technically in details described Vir-tek 3L membrane and all technological features which customer can find on or in Virtika outerwear.

- Green footprint – here Virtika describes what they do for protecting environment, currently it is fair wages for their workers but in future they should focus on this topic more.

- Team – information about riders in Virtika team, team described as a whole with different roles and positions in team and then each profile of rider ore member of the team. Team should be divided into international and Czech part.

- Photos and videos – all media material which Virtika wishes to share with its fans and customers, photos, videos and movies from its team riders.

- FAQ – answers for frequently asked question, make shopping for customers easier and save lot of time people in customer service.

- Contact us – option to contact customer support with question, or any other kind of message.

- Feedback – feedback form for customers who would like to thank us for amazing outerwear or give as hint for future collections or technological features.

Nowadays is increasing popularity of online marketing and possibilities of its use. Ability to target on current consumer by using cookies on his pc, laptop or mobile phone which

is connected to the Internet. Investment in online marketing is favorable because advertisement shows to consumers which are interested in freeskiing or snowboarding. It increases chance of purchasing clothes and awareness of the brand. For purpose of Virtika author recommends using Search Engine Optimization which optimizes searching context of webpage and is able to recommend changes in formulation in order to address more consumers. Pay Per Click is an option where company pays just for click on its advertisement so they do not waste so much money as for leaflets fa. Huge advantage of Search Engine Optimization and Pay Per Click is really detailed feedback about your customers, you know where, when, how they purchased products, software provides information about popularity of products and shows the most effective commercial. Also ways from customers reached you e-commerce are monitored. Thus all these facts well set up online marketing brings high search results and increase awareness of the brand.

Out-store communication

Target group of potential customers is spread around the whole Czech Republic. Therefore, out-store communication has to be focused on events and places where potential customers are together in larger quantity such as events, movie premiere or competitions. Rest of the communication is focused on online communication channels.

Competitions

During winter season is in the Czech Republic several freeski and snowboard competitions which are popular for riders and public because they sports is also really beautiful just watch. Therefore is recommended to prepare display stand which will be part of these events. Really popular is Just Ride series which each winter visit several biggest resorts in Czech. Become part of the series would be profitable and definitely increase awareness of the brand and brings new customers. Next popular event is series Czech freeski cup which also has several stops in largest snow park in the Czech Republic and is broadcasted on television.

Debates and workshops

Organizing debates with riders and workshops which brings this sport closer to public will motivate new to start with this sport and give them basic information how to behave

in snow park or in freeride terrain. Possibility to talk with pro-riders who have several years of experiences and can provide valuable advice for beginning could be really valuable for people. At this moment riders can recommend them Virtika outerwear as the most suitable clothes for riding and increase awareness of the brand.

Movies and clips

Between freeskiers and snowboarders is really popular watching freeski and snowboard movies. Therefore, be part of the movie shows amazing things to people which are interested in these sports and show them how challenging and hard conditions can handle Virtika outerwear products. Presentation of products by displays stands on movies premiere with support of pro-riders could be beneficial too.

Snow park crew

Snowboarders and freeskiers interested in riding in snow park choose their final resort by its quality. By sponsoring a snow park and its crew or shapers. Virtika increase its awareness. Shapers will wear its outerwear all season and because they are usually experienced riders they can promote its products. This concept use several brands and it is really successful.

Sponsoring

Sponsoring of athlete who is talented and has huge influence on social networks is really profitable for the brand awareness. Athlete spread positive information about brand and its products. By athlete´s influence brand reach several hundred or thousands new people who are interested in the same sport as the athlete. It is really important take into consideration personality of the athlete and its attitude towards brand. In positive way he can complete brand personality but also in negative way. Therefore, choosing the right one is not easy process.

Social media

Social media is in today world really important and cannot be ignored. In target segment where most of the people are under 30 years old it is important much more. Each information, photo, product, status or event could be shared by social media and people

can leave a comment or feedback. Therefore, not just having account on social media but try to impress by politeness and helpfulness towards customers is really important. Below are described most used social media and recommendations for their using.

Facebook

Through this social network Virtika can approach the largest volume of customers. Almost everybody on the Czech freeskiing or snowboarding scene has it and try to present himself and its riding and follow other riders. The main aim on Facebook is create eye-catching design and provide all contacts and link to web, e-commerce and other social networks. Customers can rate Virtika´s brand, leave comments and see pictures of products, current development in company and events where they can see Vitrika outerwear. It is necessary to answer and reply to all messages and comments as soon as possible. There is possibility to pay for advertising aimed at users interested in these sports.

Instagram

It is recommended to create Instagram account *VirtikaCZ* which will share pictures and videos of Virtika account and add its own posts from daily processes in firm, pictures and videos from events where Virtika was and share photos and videos of its athletes. Due to hashtag mode is able to find all posts from people which used the same hashtag. Therefore, creating own hashtag is important it can be #VirtikaCZ or official #Virtika used on the USA market. Possibly different photo contest with special hashtag made for this occasion. For example: take a picture of you riding in our outerwear, use hashtag #IRideInVirtika, and winner of free jacket will be randomly chosen by the end of the month.

YouTube

Virtika has many videos and clips which show professional during their work (skiing). These videos can inspire others in riding and show durability, and waterproofness of outerwear. It is recommended to take a video of Virtika products in detail a show all technological features and its right use. These videos can be shared on other social media and on the official webpage.

Other social media

According to research made for the purpose of the thesis, social media which are not so popular on the Czech market such as Twitter, Snapchat, Vimeo and Google+ will have created account on these social platforms but only communication which will provide is sharing posts from primary social media as Facebook, Instagram and Youtube.

5.2 Summary of practical part

Practical part of the thesis is focused on main goals defined in the introduction of the practical part. Main goals are to increase awareness of the Virtika brand, persuade customers about nonexciting relation between price and quality, and increase competitiveness of the Virtika on the Czech market.

In order to achieve these targets desired brand image was designed on the Brand Prizm concept. It describes desired attributes of the brand and its perception for the customers and for the brand itself. With well-set brand image target group of customers should be able to identify itself. It increases brand awareness and helps to build up a relationship between brand and customer.

Ko Floor concept of brand positioning, brand personality and brand communication define each of these attributes more in detail. It is recommended to focus on the main differentiating attribute which is proportion between reasonable price and high quality of the product. This attribute enables to reach gap in the market and desired position. In the same time, it is competitive advantage of Virtika. However, after entrance on the Czech market Virtika can except increased level of rivalry on the target market and steps of competitors who want to impede entrance to the market. Therefore, build up relationship with customer and rapidly increase awareness of the brand is one of the most important aspects which can help overcome entrance phase.

Brand personality is updated from the USA model for the Czech market, aggressive attributes were denied and personality is now friendlier. Key attributes of brand personality characteristics were based on Ko Floor (2009) concept of brand personality

ring. Inseparability part of the personality is Virtika athlete who supports and complete brand personality and facilitate process of entrance on the Czech market.

Concept of the brand communication is based on confirmed elements, current trends in the freeski and snowboard segments and perception of correspondents. Into consideration were taken mainly targets of the brand on the market and concrete frame steps and recommendations were made. Recommendation aimed at design of web and types of communication in the store. Czech customers like to try clothes before its purchase because store-in-store concept was purposed to decrease cost for store and give opportunity to customers try Vitika outerwear. The main out-store communication channel is online form of communication which can be aimed at customers interested in current sport. Due to huge popularity of social networks between target group concrete recommendations were made towards using Facebook, Instagram and YouTube.

Recommendations were based on theoretical background with results of several analysis which were taken into consideration. However, limitation of recommendations is that author does not know concrete number of time plan of entrance to the Czech market. Therefore, recommendations cannot be expressed in numbers in concrete schedule.

6 Conclusion

Master thesis was focused on developing branding strategy of entrance Virtika Company to Czech market. Thesis has a goal to define possible methods of entrance branding strategy to the Czech market. To achieve this goal, partial goals were set for each part of the thesis. Goal of theoretical part was defining theories and methods which can be used for creating successful model of branding strategy. Goal of analytical part was analyzing current branding strategy model of Virtika on the USA market, macro-environmental and micro-environmental conditions of the market, key competitors, customers perception of the market and desired position of the Virtika on the Czech market by using competitive maps technique. Goal of practical part was developing frame of branding strategy for entrance to the Czech market and suggest possible methods of its penetration.

Key aspect of theoretical park is defining basic terms of branding and its concepts. The most important part was analysis of the Ko Floor (2009) concept of brand identity and its behavior and processes which has to be done for desired brand identity because on his concept are based almost all practical part of the thesis. For purpose of description of brand identity was described Brand Prizm concept. Then author studied type of competition and how competition can be divided into several different concepts. All these findings were used in analytical and practical part of the thesis.

First part of analytical part was focused on general information about Virtika and its current branding strategy on the USA market. The whole brand identify was inspected and described by Ko Floor concept. After this analysis was identified differentiating factor which gives competitive advantage to Virtika outerwear. In next step was analyzed macron-environmental conditions of the market by using PESTLE analysis. Finding of this analysis confirmed suitability of the Czech market in context of entrance a new company. Therefore, next logical step was identifying target market and its aspects such as target customer, its volume, financial requirement for customers. From general competition which is on the market several brands which are closest to Virtika products and branding strategy was chosen key competitors and were analyzed in detail. Emphasis was put on their brand positioning, brand personality and brand communication. These

results were compared with customer perception of the market which was provided by questionnaire which was spread in target group of potential customers on the social networks and freeski and snowboard forum. Results of the questionnaire helped to focus on important elements of customers perception of the market. After summarizing situation on the market and customers perception technique of competitive maps was used to put Virtika on desired position on the market. Differentiating factor and competitive advantage were identified in proportion between price and quality. In last step, Porter five forces analysis was used to summarize micro-environmental conditions on the Czech market.

Practical part is based on finding from analytical part and took them into consideration. In the beginning are defined targets of the frame concept of branding strategy of Virtika for entrance to the Czech market. Desired brand identity and its aims are captured in Brand Prizm concept which is based on six elements. Main part is based on Ko Floor theory of brand identity where was defined brand positioning, brand personality and brand communication. Positioning is based on Virtika's positioning on USA market because most of the aspects as product, price etc. cannot be changed. Therefore, recommendations are focused more on brand personality which was changed in less aggressive and more creative attitude. Important aspect of complete personality is Virtika athlete. The most significant emphasis was put on recommendations towards brand communication. By the Ko Floor concept communication was divided into in-store and out-store. Key aspect of in-store communication is new and redesigned web wit e-commerce and concept store-in-store. In out-store communication emphasis was put on online communication on social networks, mainly on Facebook, Instagram and YouTube where was given detail recommendations.

Virtika outerwear is a great brand with huge potential on the Czech market. This master thesis proofed its position of a strong brand on foreign market and protentional to succeed on the Czech market. Thesis analyses current situation on the Czech market, possibilities and threat which Virtika can use. Customers expressed interest about the Virtika on the Czech market. Possible frame branding strategy was developed.

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8 Appendix

i. Appendix A

List of products (Source: virtika.com)

Signature jacket (3L insulated, Signature Pants (3L insulated), Van Halen Slim-Fit Pants (3L), Vir-Tek 3L Shell Jacket, Vir-Tek 3L Shell Pants, Crossover Jacket, Softshell jacket, Sweatshirt, Thermo layers, T-shirts, Tank tops, Board shorts, Denim, Beanies, Bucket hats, Snapbacks, 5-Panel Campers, Stretch Fit hats.

List of features (Source: virtika.com)

– TPU coated, 25,000mm waterproof/breathable shell fabric with 100% taped seams and DWR (durable water-repellant) coating.

– Oversized hood with snap hood stay and flexible hood brim (to keep hood in place when spinning or riding switch)

– Magnetized, split main zipper flap with fleece face area (easily allows for jacket to be partially zipped up)

– 6 zippered vents with elastic mesh protector strips (so mesh doesn't get caught when opening/closing vents)

– Zip-off sleeves with locking zipper pulls (sleeves will not unzip themselves)

– Lightweight poly fill thermal insulation with breathable printed mesh liner

– Huge inner mesh pockets and hidden zippered MP3/cell pocket

– Heavy duty, large gauge #8 YKK tooth zipper on main zip

– 9 waterproof pockets, with zips and magnetized closures

– Double stitched bar-tacked seams in high stress areas

– Comes with removable/adjustable hiking suspenders

– Comes with our 1-year warranty

– Embroidered logos

– Virtika signature fit

– Elastic wrist cuffs w/ thumb holes

Photos of products (Source: virtika.com)

Virtika 5 Layer System w/ 3L Fabric

Tough, UV Proof Outer Shell

Cold

Snow and Rain

Waterproof & Windproof TPU Membrane

3L Backed Reinforcement

Thermal Insulation

Water Vapour (Sweat)

Breathable Mesh Liner

25,000mm Waterproof / Breathable
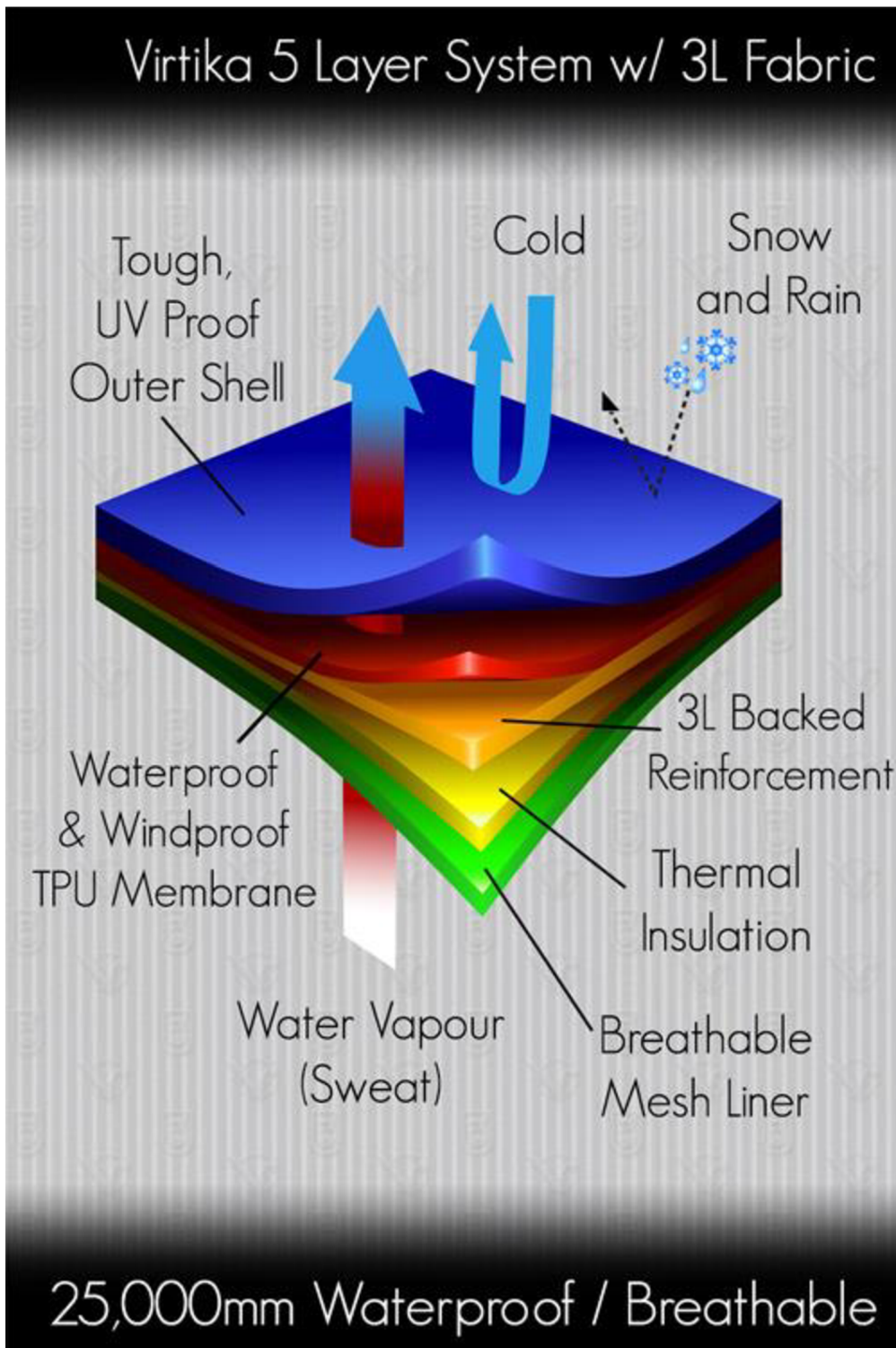
iii.   Appendix C

Table of competitors products comparable with Virtika products.

Source: official sites of producers

All exchange rates was accessed 21.05.2018 and prices was rounded.

Brand	Line	Price (in CZK)	Membrane (mm, in thousands)	Features (number)	Awareness
Virtika	Only one	5700	25/25	13	None
Horsefeathers	Highest	7000	20/15	11	High
Oakley	Highest	11000	28/28	8	High
Burton	Highest	9000	28/28	10	High
Armada	Highest	12000	28/28	12	High
O´neill	Highest	10000	20/20	8	Medium
Volcom	Highest	9000	28/28	9	Medium
Quiksilver	Highest	9500	28/28	10	High
Picture	Highest	9000	20/15	8	Medium
DC	Highest	6000	25/20	7	Medium
Funstorm	Highest	4000	15/15	7	Medium
Nugget	Highest	6200	20/15	9	Low
Nitro	Highest	8500	20/25	11	Medium
686	Highest	11000	28/28	13	Low

iv.   Appendix D

Number of followers on competitors' social channels

Source: official account of brands, table was made 22.05.2018

Brand	Facebook	Instagram	YouTube	Twitter	Vimeo	Google+
Armada	120533	220981	30320	30272	3975	19
Oakley	5171903	1794436	127 467	388682	1621	33829
Buton	789844	1177239	172756	167350	1611	3469
O´Neill	1152255	28563	20670	88700	4897	1687
Horsefeathers	72298	10680	651	X	98	103
Quiksilver	6382631	1775507	166834	319785	2270	X
DC shoes	14827337	1984648	1159108	736351	797	11366
Picture	76436	2194	exist	X	313	52
Nugget	19833	1251	2	X	2	X
Virtika	28227	56415	373	1375	644	3

v. Appendix E

Questionnaire

Diplomová práce- Virtika

Dobrý den, téma mé diplomové práce je zaměřeno na branding. V rámci této DP spolupracuji s jednou americkou oděvní firmou, která produkuje oblečení v USA a ráda by expandova do Evropy. Prosím Vás o vyplnění krátkého dotazníku, který mi pomůže reálně vyhodnotit stav českého trhu a doufejme dostat Virtiku do Česka!

Pohlaví *

○ Muž

○ Žena

Věk (v letech) *

○ 0-15

○ 16-20

○ 21-25

○ 26-30

○ 31-35

○ 35+

Jaké používáš sociální sítě? *

☐ Facebook

☐ Instagram

☐ Google+

☐ Twitter

☐ Youtube

☐ Snapchat

☐ Nepoužívám socilání sítě

Koho sledujete převážně na sociláních sítích? *

☐ Přátele

☐ Módní značky

☐ Obchody

☐ Sportovce

☐ Bloggery

☐ Zájmové stránky

Myslíte si, že Vás ovlivní názor či doporučení ostatních? *

○ Ano

○ Ne

Všímáte si výbavy a značek, kteří nosí sportovci? *

○ Ano

○ Ne

○ Je mi to jedno

Všímáte si, kdo sponzoruje sportovní závody, koncerty a jiné kulturní akce? *

○ Ano

○ Ne

○ Je mi to jedno

Znáte značku Virtika? *

○ Ano

○ Už jsem o ní slyšel

○ Ne

119

V jakém rozmezí je pro Vás důležitá cena při koupi zimního oblečení *
určeného pro lyžování, snowboarding?

	1	2	3	4	5	
Nejméně	○	○	○	○	○	Nejvíce

V jakém rozmezí je pro Vás důležitý design při koupi zimního oblečení *
určeného pro lyžování, snowboarding?

	1	2	3	4	5	
Nejméně	○	○	○	○	○	Nejvíce

V jakém rozmezí jsou pro Vás důležité technické vlastnosti (membrána, počet kapes...) při koupi zimního oblečení určeného pro lyžování, snowboarding? *

	1	2	3	4	5	
Nejméně	○	○	○	○	○	Nejvíce

Kde nakupujete zimní oblečení určené pro lyžování, snowboarding? *

☐ Specializované obchody a jejich e-shopy (Snowboard Zezula, Misfit, Snowpanic...)

☐ Sportovní obchody a jejich e-shopy (A3 sport, Sportisimo, Decathlon...)

☐ Super a Hyper markety (Tesco, Albert..)

☐ Použité přes fóra a sociální sítě

Měli by jste zájem o značku Virtika na českém trhu? *

○ Ano

○ Je mi to jedno

○ Ne

Pří výběru produktu Vás ovlivní doporučení: *

- ☐ Přítele
- ☐ Módní značky
- ☐ Sportovce
- ☐ Bloggera
- ☐ Obchodu

Jaké freeskiingové/snowboardové značky jsou Vám sympatické? *

- ☐ Armada
- ☐ Faction
- ☐ Line
- ☐ Burton
- ☐ Volcom
- ☐ O´neill
- ☐ Planks
- ☐ Nitro
- ☐ 686
- ☐ Analog
- ☐ Horsefeathers
- ☐ Nugget
- ☐ Quiksilver

vi.　Appendix F

Questionnaire results

Pohlaví

123 odpovědí

- 🔵 Muž
- 🔴 Žena

19,5%

80,5%
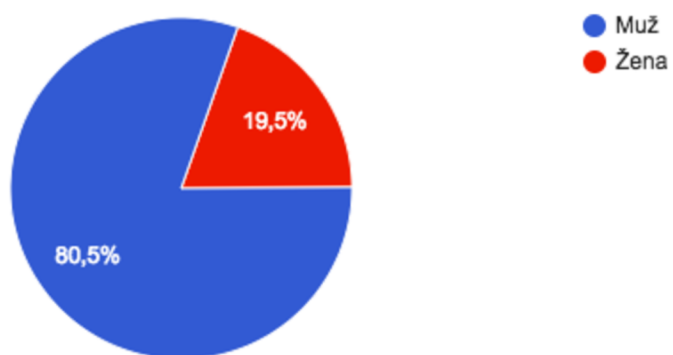
Věk (v letech)

123 odpovědí

- 🔵 0-15
- 🔴 16-20
- 🟠 21-25
- 🟢 26-30
- 🟣 31-35
- 🔵 35+

23,6%

40,7%

26%
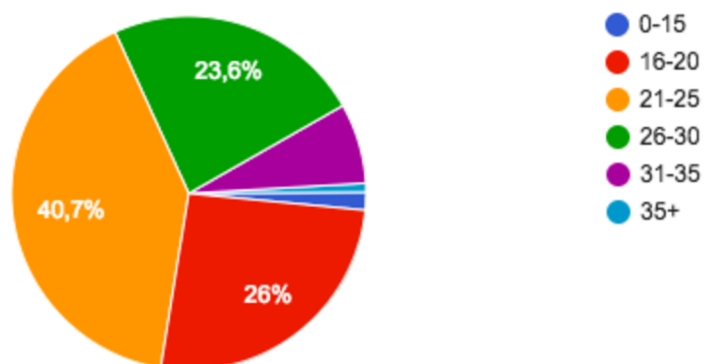
Jaké používáš sociální sítě?

123 odpovědí

Facebook	119 (96,7 %)
Instagram	100 (81,3 %)
Google+	10 (8,1 %)
Twitter	11 (8,9 %)
Youtube	102 (82,9 %)
Snapchat	16 (13 %)
Nepoužívám sociální sítě	1 (0,8 %)
Flickr	1 (0,8 %)
vimeo, movidiam	1 (0,8 %)
Linkedin	1 (0,8 %)
Twitch	1 (0,8 %)
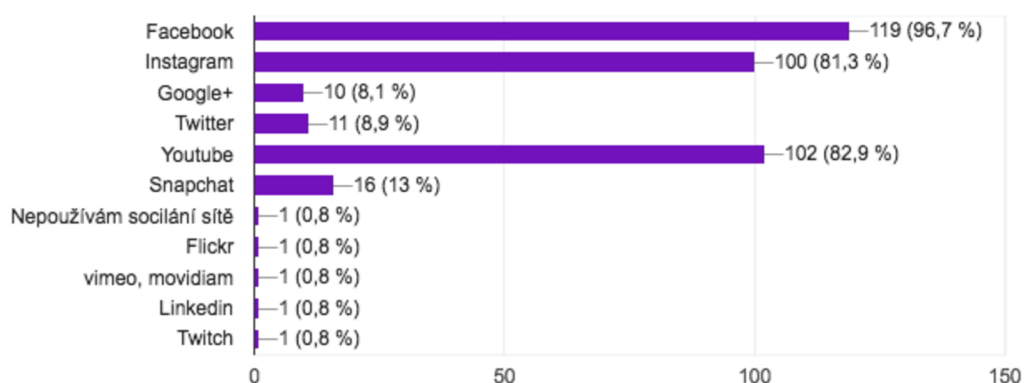
Koho sledujete převážně na sociláních sítích?

123 odpovědí

Přátele	116 (94,3 %)
Módní značky	32 (26 %)
Obchody	22 (17,9 %)
Sportovce	97 (78,9 %)
Bloggery	9 (7,3 %)
Zájmové stránky	57 (46,3 %)

124
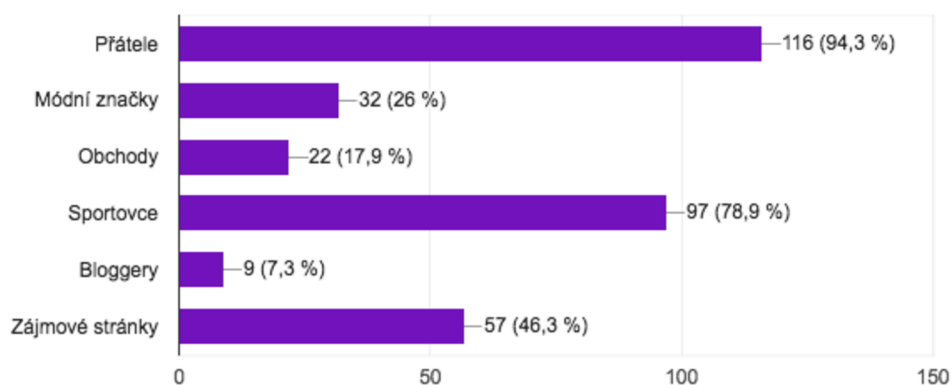
Myslíte si, že Vás ovlivní názor či doporučení ostatních?

123 odpovědí

- Ano
- Ne

18,7%

81,3%
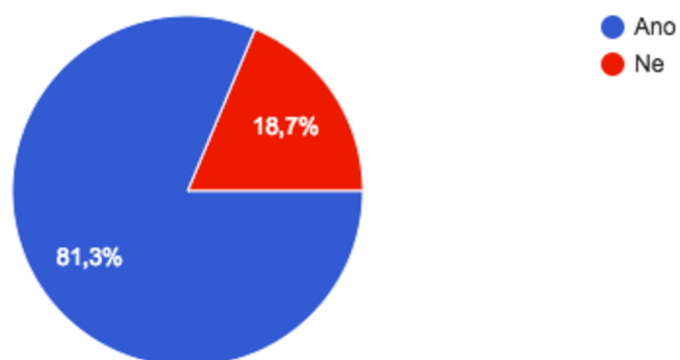
Všímáte si výbavy a značek, kteří nosí sportovci?

123 odpovědí

- Ano
- Ne
- Je mi to jedno

15,4%

80,5%
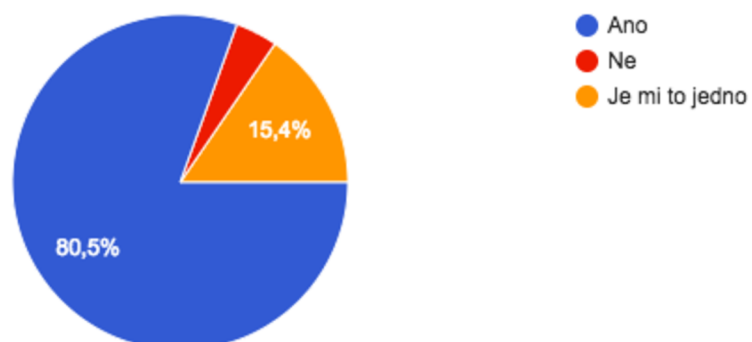
Všímáte si, kdo sponzoruje sportovní závody, koncerty a jiné kulturní akce?

123 odpovědí

- ● Ano
- ● Ne
- ● Je mi to jedno

8,9%

16,3%

74,8%
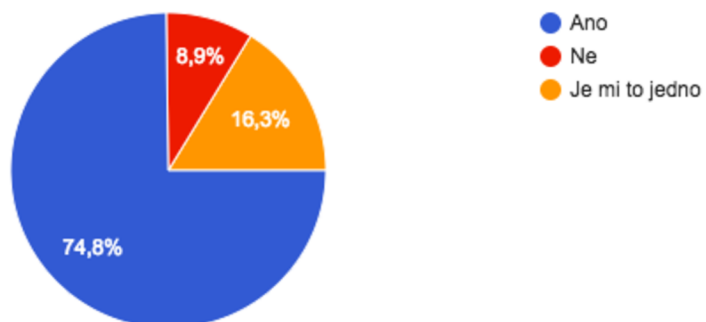
Znáte značku Virtika?

123 odpovědí
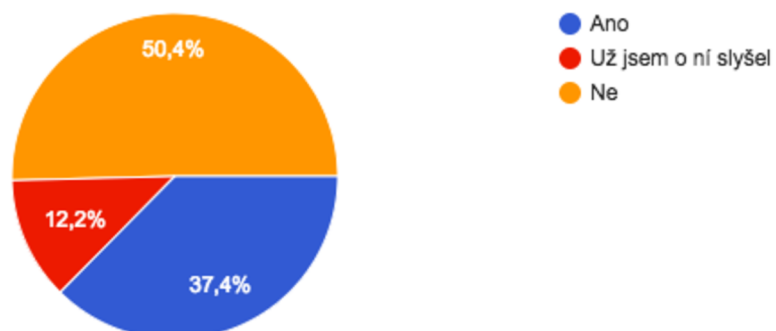
- ● Ano
- ● Už jsem o ní slyšel
- ● Ne

50,4%

12,2%

37,4%

V jakém rozmezí je pro Vás důležitá cena při koupi zimního oblečení určeného pro lyžování, snowboarding?
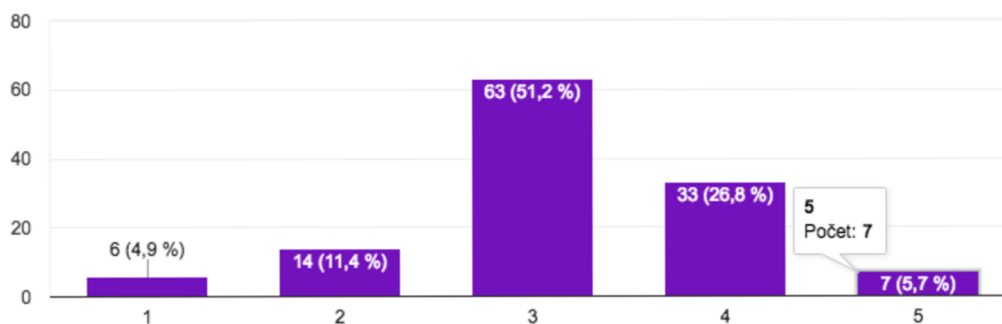
123 odpovědí

V jakém rozmezí je pro Vás důležitý design při koupi zimního oblečení určeného pro lyžování, snowboarding?
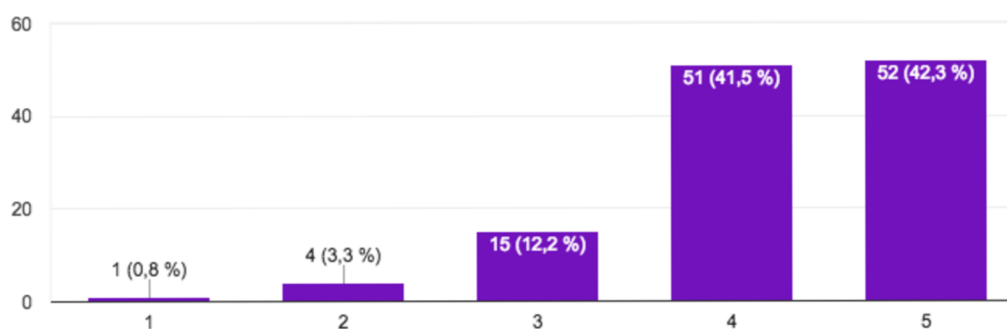
123 odpovědí

V jakém rozmezí jsou pro Vás důležité technické vlastnosti (membrána, počet kapes...) při koupi zimního oblečení určeného pro lyžování, snowboarding?
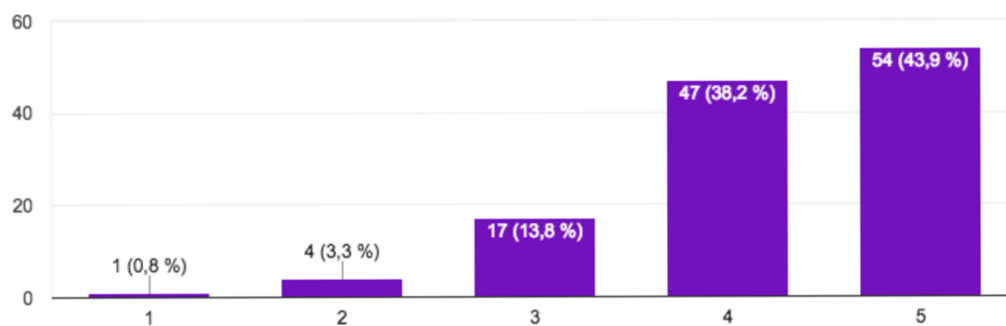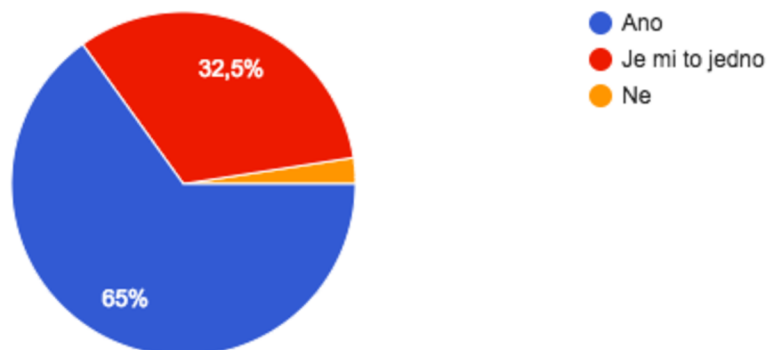
123 odpovědí

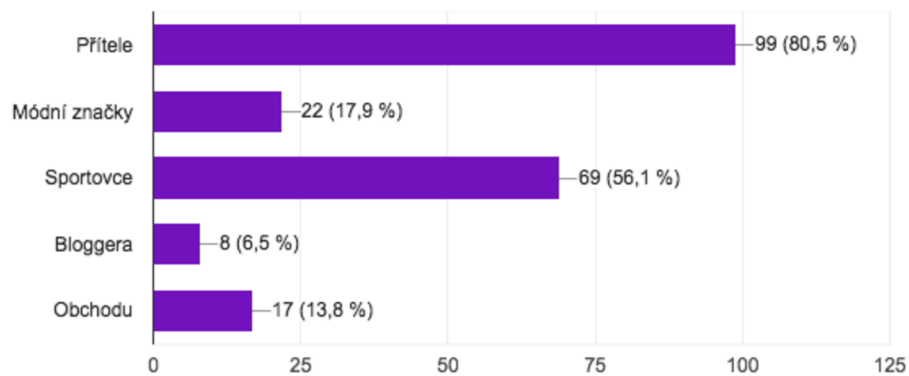Kde nakupujete zimní oblečení určené pro lyžování, snowboarding?
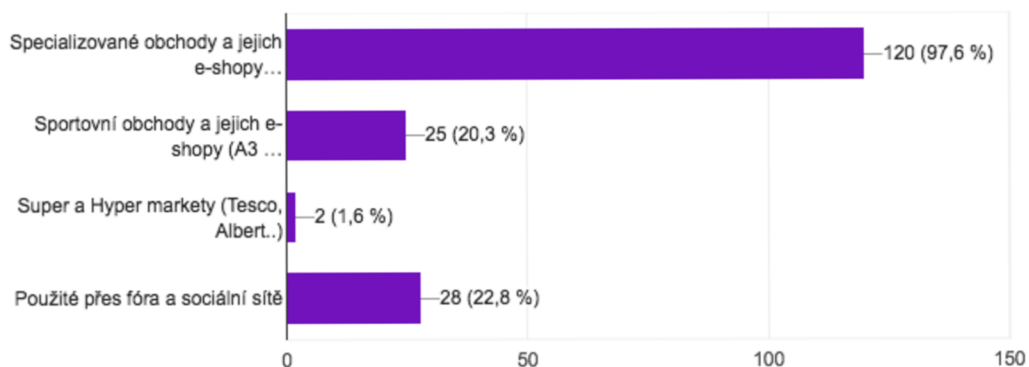
123 odpovědí

Měli by jste zájem o značku Virtika na českém trhu?

123 odpovědí

- Ano
- Je mi to jedno
- Ne

65%
32,5%

Pří výběru produktu Vás ovlivní doporučení:

123 odpovědí

Přítele	99 (80,5 %)
Módní značky	22 (17,9 %)
Sportovce	69 (56,1 %)
Bloggera	8 (6,5 %)
Obchodu	17 (13,8 %)

vii.   Appendix G

Image x Overall Quality

Technological Features x Membrane

Price x Image

Price

A1   Low   A2   High

B2   Horsefeathers   Armada

Oakley

Burton

High   DC shoes

Quiksilver

Nugget clothing   O´Neill

Image   B1   Picture

Low

Virtika

Price x Membrane

Membrane

A1   Low   A2   High

B2   Armada
Oakley

High   O´Neill   Burton

Quiksilver

Price   B1   Horsefeathers
Picture

Low   DC shoes
Nugget clothing   Virtika

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Range of Services x Overall Quality

Overall Quality x Range of Products

Price x Overall Quality

Overall quality

	A1 Low	A2 High
B2 High	Picture O´Neill	Quiksilver · · · Armada Burton Oakley
B1 Low	Horsefeathers Nugget clothing	Virtika DCshoes

Price