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Hana Maroušková

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**Pilsner Urquell Breweries - History and Modern
Development with Practical Analysis**

Hana Maroušková

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Development with Practical Analysis**

Hana Maroušková

Vedoucí práce:

Bc. Skyland Václav Kobylak

Katedra anglického jazyka a literatury

Fakulta filozofická Západočeské univerzity v Plzni

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Prohlašuji, že jsem práci zpracoval(a) samostatně a použil(a) jen uvedených pramenů a literatury.

Plzeň, duben 2014

PODĚKOVÁNÍ

Děkuji vedoucímu mé bakalářské práce Bc. Skylandu Kobylakovi za hodnotné rady, dále děkuji všem, kteří přispěli do mé bakalářské práce, ať už zodpovězením mých otázek nebo poskytnutím potřebných informací, a dále děkuji své rodině, za podporu během mého studia.

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1. Introduction

The present bachelor's thesis deals with the company Pilsner Urquell, a. s. and its long term success in the world from the theoretical and practical point of view. This topic was selected because the concept of the Pilsner Urquell has been a significant part of Pilsen and its history and development. I have therefore decided to explore the history and modern development of the biggest brand of the place where I have lived in for 21 years and to provide the reader of the thesis with a contemporary view of this issue.

The main objective of this thesis is to introduce the history of the company and show how long this traditional stock company has been in operation and then to find out how and on what kind of market this business with beer operates now.

Obtaining information for preparation of the thesis was not as easy as initially expected. One of the reasons for this was the small amount of information on this topic and a general lack of books concerning the brewery and its brand. There is only one book, published in year the 2012, which deals with important dates and issues linked to this brewery. This book is my primary source of information. However, this work draws on many other materials gained from brewery and elsewhere. Many books used for the purposes of this thesis are kept in the brewery archives and are mostly not published. Therefore, the sources for the preparation of the thesis are not only printed books but also internet sources mostly the official web sites of breweries around the world.

The text itself is divided into six chapters. The first chapter deals with the origin and rise of beer in the world. The second chapter focuses on the history of two biggest breweries of Pilsner Urquell, a. s. from the beginning of brewing in Pilsen up to year the 2012. The third chapter describes the brewing process of two types of pilsner beer. The fourth chapter introduces the competition in the Czech Republic, Europe and the United States. Basic information about marketing, the brand portfolio of the Pilsner Urquell and an analysis of television commercials are in chapter five. The last chapter of my bachelor thesis is my research, which deals with brand awareness and is focused on consumers of the brand.

2. The origin and rise of beer

Knowledge of beer production is connected with maize cultivation in prehistoric times roughly 9000-8000 before Christ. Beer was probably discovered by accident. In earlier times, people saved the grain in vessels, into which water could penetrate. These vessels containing corn and water were often long-forgotten. Later, when people newly discovered these vessels, they found out, that they had created a fermented product with a pleasant taste.[1]

The first country to produce beer is considered to be Mesopotamia. In Mesopotamia beer was made from barley, wheat and millet since around 4000 B.C. Even then, barley was one of the most widely used raw materials for the beer production. Another popular ingredient was bread, which was roasted and crumbled and then mixed with water in order to ferment. This process is the origin of the familiar saying that beer is liquid bread. This process was followed by further modifications to create better taste by using other additives.[2]

Some kinds of beer at that time were not considered as a drink, but rather as food. Beer was drunk out of large vessels with reed "straws" to prevent the chaff and other solid particles from entering the mouth. Beer was generally popular with all groups of people, as it was in Egypt a little later. Beer was drunk by men, women and even children. In fact, beer was the basic food staple. [3]

At that time, the economics of the production and distribution of beer had already been approved by law. Hammurabi's Code delimited strict punishments for brewers and publicans who damaged the quality of beer. Beer also played an important role in cult rituals and in medicine. Beer was mixed with some additives and used as a cure for toothache or cough.

The information about the consumption of beer in Egypt comes from papyrus documents and inscriptions on the walls of burial chambers. It was a part of everyday life because beer was distributed among the workers who built the pyramids. Beer bread was again used for the production. The Egyptians made the beer the most successful and widely popular drink. Beer was also drunk in ancient Greek and Rome, but was never as popular as wine. [4] [5]

Model of an Egyptian brewery

In Egyptian times, beer was made from barley, wheat and millet. Besides corn, beer bread was used for production, too. It was mixed with malt and water in large vessels. Because the process of baking and cooking both began with production of dough containing yeast, bakers and maltsters shared the same building in the time of the Pharaohs. In the bakery, Egyptians crushed kernels, ground flour and baked various kinds of bread. Malt was produced in a brewery by dipping bread. Hops were still unknown so the bread had to be roasted at first to get a bitter taste. Sometimes green mustard or sesame seeds were added to the malt. The process of fermenting was shorter than nowadays, so the beer was a bit weak, but with exception of lager beers. The basis was upper fermentation, unlike the bottom fermentation that is now used. Beer was stored and distributed in large sealed vessels.[6] [7]

Mesopotamia

At that time beer was called “kash” in Sumerian. The Sumerians were an ancient nation that lived in Mesopotamia from the 4th millennium before Christ. In Babylonian beer was called “shikaru”. Evidence of the spread of beer and its production in ancient Mesopotamia were mostly from churches and were dating from the 15th and 14th centuries before Christ. Based on the raw materials, several kinds of beer can be identified, such as pure barley beers, pure wheat beers and mixed beers produced by thickening basic beers. In the lands of ancient Mesopotamia, at least 18 kinds of beer were distinguished. Beer was usually drunk in pubs, where it was served by women. The beer production was very important for economics and sometimes the production was connected with unfair business. Also the medicine beer was used for medicinal drinks. [8]

Beer was also drunk in ancient Greece and Rome, though wine was much more popular there. Both beer and wine were relatively expensive in pubs and on the market, so that the common people could hardly afford to buy either of them.

Ancient beer was quite different from modern beer. Beer at that time was comparatively weak. It has been said that one cup of wine equaled approximately twenty cups of beer.[9] [10]

3. History of two biggest Pilsner Urquell breweries

3.1 The Pilsner Urquell brewery

3.1.1 Up to 1990

This chapter deals with history of the brewery from the absolute beginning up to year 1990.

In the 1830s our beer was brewed in different ways, mostly like with an upper fermentation process. Upper fermentation takes place more quickly than bottom fermentation, approximately 5-6 days at a temperature of 20-25 degrees, when yeast keeps to the surface of the liquid in fermenting vats after fermentation. This fermentation had a volatile quality. Therefore on the second of January 1839 a challenge was released by the town people with the law to brew beer to build their own brewery. [11]

The law to brew beer was given to inhabitants of Pilsen in 1295 by King Václav II. It was also the year when Pilsen was founded. The first written reference related to brewing in Pilsen dates back to 1307. Wolfram Zwilinger bequeathed his brewery and malt house to St. Bartholomew's Church. Up to the beginning of the Hussite Wars, about twenty breweries and thirty malt houses could be identified in town. The legal right to brew beer was given to houses, not the owners of the house, so when the owner sold the house, he lost his law to brew beer. Citizens brewed their beer with the help of maltsters and brewers in the small breweries inside the pilsner walls. The reason was to protect people and their houses against the fire, because most of the houses were made of wood. The brewed batch of beer was delivered to the citizen's house and stored in the cellar, where the beer started to ferment and mature. When it was considered to be ready to be drawn, the citizen offered this beer in his house. This process was used in Pilsen for centuries. The beer was not worse or better than somewhere else in Bohemia. [12]

In the period following the Hussite Wars, brewing ranked among the most profitable trades. At that time, beer consumption was already very high. In the fact from the middle of the 15th century this commodity was imported to Pilsen is evidence of this. It is no wonder, therefore, that before 1501 the town itself had

already established the first municipal brewery. As brewing was generally a profitable activity, it could bring money to the town's coffers. [13]

It might be thought that beer production continuously expanded, but in fact the first references to a crisis in Pilsner brewing industry occur as early as the 15th century. It follows from references that in addition to the good beers that were brewed in town, many very bad quality ones existed too. The town council therefore tried to regulate brewing by limiting the number of batches as well as the number of burghers granted a brewing permit. Between the 16th and 18th centuries, brewing was still an artisan's craft. Thirty-six malt houses and twenty-six small burghers' breweries were located in Pilsen at that time. [14]

In the end of the 18th century the quality of pilsner beer started to get worse. This was the last thing that made 250 pilsner citizens, with the law to brew beer, solve this situation. They put some money together and decided to build a new, modern brewery. The foundation of the brewery was started by the main architect Martin Stelzer in September 1839. In December he drove to Bavaria, where he saw what the big breweries in Munich and surroundings looked like. He also met there the first brewmaster of the Pilsner Urquell. The new built brewery "Civic Brewery" got the law to brew in February 1842. In the spring 1842 could start Josef Groll, the first brewmaster, finally to brew beer. [15]

On the fifth of October 1842 was brewed the first batch of lower fermentation beer. It was the first beer ever brewed that way. Pilsner beer found its new taste and started a new category called "Pils". Also in this year the brewery was officially named Pilsner. [16]

In the first year of the production of beer, were brewed 6 200 buckets. The increased demand for beer caused that the brewery started to build again. In the year 1846 were brewed 10 230 buckets. Just for comparison in the year 2012 were brewed by the Pilsner Urquell 17 777 777 buckets of beer. [17]

The first export was in the year 1856. Josef Šedivý took Pilsner beer to Vienna. In the first six months 65 buckets were drunk. Pilsner beer started to be so successful that some people wanted to copy it. That is why on the first May 1859 the first trademark "Pilsner Bier" was given to Pilsner beer .Every beer

barrel had the trademark and a number. Three years later, the “Urquell” verbal trademark and its Czech equivalent “Prazdroj” were established. [18] [19]

Outside the Austro-Hungarian Empire the first export was on the 24th of June 1862 to the Parisian exhibition, where it was tasted by Alexander Dumas, Jules Verne or Lev Nikolajevič Tolstoj. Also in the year 1862 a railway from Pilsen to Prague was opened, which caused better export possibilities. The demand was increased in the year 1864 to the 100 000 buckets of Pilsner beer. [20]

At the beginning of the year 1865 the brewery was the sixth biggest brewery in the Austro-Hungarian Empire. It had 70 maltsters, 25 coopers, 15 laborers and coach mans 5 pairs of horses, 6 officers and 1 brewmaster. [21]

In 1869 the Provincial Council canceled the burghers privilege of exclusive brewing rights, which enabled to other breweries to be established in Pilsen, for example Gambrinus. In the same year the fist sales agency in Paris was established. A perfect taste of Pilsner beer was spread far from Bohemia. In the year 1873 beer was exported for the first time to the United States of America. A big praise for Pilsner Urquell was when the Austro-Hungarian emperor František Josef I. said: “It is very strange that no brewery can forge the peculiar and delicious taste of Pilsner beer.” In 1880 a two-kilometer long railway siding was established on the grounds of the brewery. Two engines to drive barrel hoists are bought from the Škoda Works.[22]

The global success of Pilsner beer required not only expanding, but also the constant modernization. In January 1881 the brewery introduced electric lamps. František Křížík, the inventor himself, supervised the installation of six electric lamps. Eight years later, the brewery was connected to the new Pilsner water piping system. Twenty railway wagons are acquired. [23]

In the fiftieth year of operation, in the year 1892 was placed the stone of the main gate – the symbol of the brewery, which has persisted to the present. The gate was built by Emanuel Klotz. In the year 1898 the trademark Urquell was registered, the aim of which was to clearly distinguish original and oldest Pilsner beer and beer from younger local businesses. [24]

In the early twentieth century the brewery ran into difficulties with the supply of water and energy. František Špalek was charged to solve this problem. After a study tour in Europe, he suggested complex solutions involving the construction of a water tower – which was almost 50 meters tall. By the year 1907 he managed to make a unique engineering project. [25]

In 1913 the town brewery crossed for the first time 1, 000, 000 hectoliters of beer and confirmed its position as the largest brewery in the Austro-Hungarian Empire. During the year 1913, the brewery bought its first cars from the domestic firm “Brožík and son” and first trucks from the Vienna company “Austria-Benz-Motoren A.G.”.[26]

During the First World War, the army seized the brewery wagons, blankets, cars and trucks. Women started working in the brewery after men who had been recruited. Later in the summer of 1935, the brewery tested the effect on the quality of the beer when it is transformed over long distances. A total of 51 hectoliters were dispatched on a trip to Brussels. At the exhibition in Brussels the beer was greatly enjoyed, although during the 14 days it completed a route 2,381 kilometers long. [27]

The first modern propagation of the beer was in year 1938 and it was a commercial document called “The capital city of the world” which was turned on at the Wenceslas Square. [28] In December 1944 the Pilsner Urquell brewery was bombed for the third time. The only destroyed part of the brewery was the headquarters building. Other manufacturing plants remained spared, so Urquell could continue in the beer brewing. The brewery was closed just for three days to recover from this horrible experience. In September 1946 the national enterprise Pilsner Breweries was established, which was merged with individual breweries in West Bohemia in February 1948. Last 13 breweries were joined in 1962. [29]

In 1948 Pilsner Urquell was exported to 46 countries. One of the newest customers was for example Saudi Arabia. For the first time since 1913, the brewery had made one million hectoliters of beer. About three quarters of lager production went on the market as barrels and only a quarter as bottles. The first can of Pilsner Urquell saw the light of the day in 1988. In August 1988 a

consignment of 487,5 hectoliters embarked on a journey to England Wolverhamptom. The local customer filled beer into cans and in September 1988 distributed the cans to the British shops. [30]

In 1989 the brewery was established as a state enterprise, which has brought back the official name of the Pilsner Urquell brewery. This state enterprise brought together Pilsner Urquell, Gambrinus and other breweries in Domažlice, Chodová Planá and Karlovy Vary. [31]

3.1.2 From 1990 to 2012

This chapter continues in the previous topic of the history of the brewery but it talks about more current dates. It is a brief, quick overview of every year and its important development.

The following is from one of the sources printed by the brewery itself:

"After the fall of totalism in the year 1989, the Pilsner Urquell brewery was going through the most extensive technological and organizational changes since the City Brewery was found in year 1842. After a very complicated privatization process in the early 90s, in June 1994 arose the public limited company Pilsner Urquell. Pilsner Urquell made its stronger position in the Czech Republic and also abroad, when it was united with other domestic breweries – the Radegast and the Velké Popovice.

Symbolically on the 5th of October 1999 Pilsner Urquell was joined to the family of breweries SAB, the second biggest brewery company in the world. This enabled investments to the newest technologies, support on the foreign markets, access to the most modern know how in the field of marketing, finance, IT and management.

Today people in the Pilsner Urquell brewery follow the successes of their predecessor and have been preserving the same values which used to keep the successful brewers in the history. That is for example: always look to the future,

bring new products, ideas and services, try to achieve improvements and do not change what is already perfect!"
[32]

In the year 1990 the new malthouse started its lasting operation. The anticipated annual production of 50 000 tonnes of malt supposed to cover the needs of the brewery. On the place of accommodation for employees was on the 5th October 1992 opened a large pub called "Na Spilce", with two restaurants and kitchen which could provide meals for 2000 people. [33]

In the year 1993 Pilsner Urquell presented dark beer Purkmister 10 degrees and Primus – beer for wide public. On Wednesday the 5th of May the same year were used for the first time for production of Pilsner Urquell the cylindrical-conical tanks. In the year 1994 Pilsner Urquell was privatized. It was subsequently incorporated into a new joint-stock company, that bears the name "Plzeňský-Prazdroj, a.s."¹. [34] On Monday the 29th of May 1995 was tapped off the last aluminum barrel of Pilsner Urquell. After that only the KEG barrels made from stainless steel were used. [35]

In year 1995 Pilsner Urquell was very lucky. As the first Czech company ever, the brewery got a credit of foreign exchange for 80 million marks from International Finance Corporation. At the same time the Pilsner Urquell brewery got 1.4 billion crowns from Czech banks. Both credits should have provided the money for a principal modernization, an installation of cylindrical-conical tanks, a construction of a distribution system and for building a new brewhouse for Gambrinus. [36] In the spring 1995 the first Pilsner Urquell Original Restaurant was opened. It was placed in Karlovy Vary. Up to 2012 were gradually opened 24 restaurants of this kind in the Czech Republic and also 12 abroad. [37]

In 1996 the brewery reached 22 percent of market share and had a distributable system all over the Czech Republic. For the first time Pilsner Urquell celebrated production 4 million hectoliters of beer. Export exceeded a content of 440 000 hectoliters. The export strategy was changed when the

¹ "Plzeňský Prazdroj, a. s." is the official name of the company hereinafter referred to as the Pilsner Urquell brewery

brewery found its own subsidiary companies. The first website www.pilsner-urquell.com was introduced in the year 1997. The average wage in this year was 14 500 crowns. [38]

In the year 1998 Pilsner Urquell was officially named as the main distributor for American military bases all over the world. In March, it inaugurated its new Gambrinus boiling house. [39]

1999 was a year full of novelties. At the beginning Pilsner Urquell was joined with the second biggest brewery company “ČR Radegast Group” – which combines two breweries, Radegast and Velké Popovice.[40]

The biggest deal of the year was the signing of a contract with the company South African Breweries (SAB). It happened on the 5th of October 1999. South African Breweries was the third largest brewery company in the world with total amount of 54.6 million hectoliters of beer production. This company was founded in the year 1895 in Johannesburg. Today the company is located in London. It owns more than 100 breweries all over the world. It has 8 breweries in the USA, 3 breweries in Central America, 18 breweries in Europe, 54 breweries in Asia, 44 breweries in Africa and 7 breweries in South Africa. SAB is known mainly because of the great worldwide and regional brand portfolio and its highly experienced management team. In the 1990 the Pilsner Urquell was sold in all 50 states of United States of America. [41] [42]

At the beginning of the year 2000 Tony von Kralingern, the marketing manager of SAB, was nominated as general manager of the Pilsner Urquell brewery. On the 20th of July 2000 during the renovation of the main gate, two cases were found, which were inserted in the year 1893 during the building of the gate. The cases contained a commemorative file from 1842-1892, name cards of architects, photos and other documentation. [43]

In autumn 2000 the first year of Pilsner Fest was organized. It is an event where people can celebrate tasty Pilsner beer. Despite of bad weather 7200 attendees drank 25 hectoliters of beer. A year later 24 000 people came to Pilsner Fest and had a very good time. This event has been lasting till now. [44]

At the end of 2000 a new label was introduced. This label united the seal of brewery, the name of the brand and the Pilsner emblem. The absolute

quality of this label underlines the bright white area and highlighted gold components. [45]

In year 2002 the parent company of Pilsner Urquell SAB made a fusion with the second largest brewing company "Miller Brewing Company". The main brands of this company were Miller Lite and Miller Genuine Draft. This way the second biggest brewing company in the world came into existence, whose main brand is Pilsner Urquell. [46]

In September 2002 Pilsner Urquell opened a new visitor's centre. At the same time a gift shop was opened and new parking lot for visitors was built. Other renovations took place in this year. For example, a whole courtyard and the building of the general directorate were renovated. [47]

The merger of three breweries, i.e. Pilsner Urquell, Radegast and Velké Popovice, was legally confirmed on the 1st of October 2002. From this merger arose the only company Pilsner Urquell. Its market share reached in this year 48 percent, which means 7 744 748 hectoliters of beer and the total selling was more than 9 million crowns. Pilsner Urquell grew up having Radegast, Velkopopovický Kozel and nonalcoholic beer Birell. [48]

In the middle of the year 2003 Pilsner Urquell concluded a contract with the "Škoda Mladá Boleslav" company for purchase of automobiles for its sales representatives. The general Manager was changed in this year, and Steve Woodward was named for this function in March 2003. [49]

The Brewery Museum was opened in June 2003 with an exposition called "Story of Beer". The first section was aimed at the origin of the beer in ancient times. The museum dedicated special attention to the founding and development of the Civic Brewery in Pilsen and birth and growth of the brand Pilsner Urquell. During the year 2004, more than 100 000 visitors from all over the world saw the exposition of Visitor's Centrum. Most of them 35 percent were German, than Czech, Russian, British, French, American, Polish and Taiwanese. [50]

At the beginning of the year 2004 new glasses and new taprooms with inbuilt cooling system up to the tap were distributed. Both innovations contributed to good quality of the served beer in pubs. With blessing from Bishop František Radkovský a new brewhouse was opened, which united the

most modern technologies with traditional and unique methods, which created the extraordinariness of Pilsner Urquell. This investment cost the brewery 300 million crowns. [51]

One important moment of this year was, when the Pilsner Urquell brewery launched the first variation of malt beverage Frisco. It combines the taste of beer with a taste of fruit. Shortly this beverage had many fans and became the most favorite beverage in this category. [52]

In June 2004 a taproom called “Na Parkáně” was opened after a very long reconstruction. It is furnished in an old pilsner pub style. This restaurant offers several kinds of Pilsner beer and also the traditional Czech cuisine.

At the beginning of 2005 Pilsner Urquell started to run an application for smart phones called “Promile² info”, where we enter a number and type of the drunk liquid and the application tells us the current blood alcohol content.[53]

That year also new general manager Mike short was named. On the domestic market Pilsner Urquell sold 8 million hectoliters of the beer that year. [54]

In the year 2006 the brewery installed ten new cylindrical-conical tanks with diameter of six meters and seventeen meters high, each of them with the capacity of 2400 hectoliters. That means the capacity of possible production raised to 2.7 million hectoliters. [55]

With presence of Václav Klaus, the president of the Czech Republic, the new packaging hall was opened on the 16th of November 2006. The visitor’s centre was extended about the Hall of fame of Pilsner Urquell, where people can see besides other things documents connected with founding of the brewery. In that year, more than 160 000 people from all over the world visited the Pilsner brewery. [56] In the year 2007 Pilsner Urquell paid almost 10 million crowns for commercials in United Kingdom. In March 2007 the brewery launched new drink dispensers for canned beer, which check the IDs out or passports to find out the age of the person buying alcohol. Several machines were placed on the market all over the world. [57]

² “Promile” is the Czech designation for the measure of Blood Alcohol Content, i.e. *per mil* measurement

In April of the same year Pilsner Urquell experienced significant success in the USA. Prestigious American Beverage Testing Institute, which performs independent evaluation of beer, wine and spirits for consumers, evaluated Pilsner Urquell taste with a record of 93 points. This valuation is historically the highest one for beer of the Pilsner type. The export to the USA was started by Rudolf Oelsner, who purchased beer regularly. In the year 2007 was sold in the USA more than 100 000 hectoliters of the pilsner beer in more than 40 000 restaurants, bars and shops. Alone in New York there were 500 restaurants offering Pilsner Urquell. In April the brewery introduced two new beer specials: 13 degrees beer Master semi - dark and 18 degrees beer Master dark. [58]

In May Pilsner Urquell in collaboration with the company Ahold opened the first beer shop. It substitutes classic shops and adds better cultural settings with much information about beer and beer industry. Pilsner Urquell was also in that year the top-selling exported beer in Germany. In the year 2007 Pilsner Urquell was available in 1,400 German restaurants and in 20,000 German shops. [59]

In February 2008 an installation of 6 new cylindrical-conical tanks with a total capacity of 28 800 hectoliters started. In June the same year the brewery reached 6 160 000 hectoliters of produced beer. In March the first train with Pilsner beer pulled out to Sweden. Pilsner Urquell was in April ranked among the most remarkable places in European Route of Industrial heritage. During May 2008 Pilsner Urquell started a second line of bottles packing hall and the capacity was doubled to 120 000 bottles per hour. In years 2000-2008 SABMiller invested 14 billion crowns to the development of Pilsner Urquell and its brands. [60]

In 2008 one hundred and seventy restaurants kept Pilsner beer in storage tanks. These tanks have modern system called bag-in-box which means that the beer is kept in a bag and the beer is not in the contact with the tank or air, so it keeps its quality. [61] Also the laboratories of Det Norske Veritas in Zurich together with the research institute in Prague made an analysis of Pilsner Urquell quality. They compared results from 1897 with the year 2008. The results were amazing. They showed that Pilsner beer has kept its traditional taste and other specific qualities until now. [62]

In the year 2009 the first websites “napivosrozumem.cz” saw the light of the day. Pilsner Urquell made this websites for one reason only, to inform people about the influence of the beer to the human body and convince people to be responsible when they are drink alcohol.

On the 16th of November 2009 the new general manager Doug Brodman was opened, who replaced Mike Short after 4,5 years. Doug Brodman was from the USA and he had worked in Miller Brewing Company before.[63] In the year 2010 Pilsner Urquell set off a new gift shop. Just few months earlier was also set off a new e-shop. It offers more than 500 different things. The most distant place, where people want these Pilsner Urquell gifts was San Francisco in California. In 2010 the Gambrinus brewery opened its own visiting route to make people know that Gambrinus is made from the best ingredients and according to the traditional recipe. [64] In 2011 the brewery exported almost 700 000 hectoliters to more than 50 countries. It created a good name in countries like the United Arab Emirates, Syria, Southern Korea, Vietnam or South Africa. [65]

In that year there was a traditional celebration of Gambrinus and Pilsner Urquell beer called Pilsner Fest. In two days people drank 650 hectoliters. In August the Pilsner Urquell brewery inaugurated new lines for bottling into PET bottles. This was one of the most important investments of those years. [66]

The year 2012 was full of new products. The Pilsner Urquell brewery launched new beer called Fénix with 4,9 percent of alcohol, lighter taste, fresh aroma, orange peel and a little of coriander. Birell brand launched new nonalcoholic drink with a flavor of lime and raspberries. It is made from finished beer and fruit juice. On Friday the 5th of October 2012 the Pilsner Urquell brewery and the brands of the Pilsner Urquell brewery celebrated the 170th anniversary. This significant birthday was celebrated by thousands of people in Pilzen. [67]

3.2 The Gambrinus brewery

On the 25th of June 1869 a brewery was founded, today known as Gambrinus. In the public house named “U císaře rakouského” 20 men from Pilsen met mainly businessmen or lawyers. Their aim was to establish a brewery, which would brew quality Czech beer. Its name was “First share brewery”. Only four years after founding the brewery, people in the United States of America could taste the beer from “First share brewery”. [68]

In year the 1907 the emperor Franz Josef I. said many flattering things about the brewery and this caused choosing of a new trademark “Pilsner Kaiserquell”, in Czech “Plzeňský císařský zdroj”. With the constitution of Czechoslovakia the German trademark started to look inappropriately, so it was changed to “Plzeňský Gambrinus”. In the year 1972 one million hectoliters of Gambrinus beer were produced in Pilsen.

The Gambrinus brewery started to use new modern technologies in the year 1993. The cylindrical-conical tanks started to be used and this technology guaranteed microbiological cleanliness. The Gambrinus as we all know it today was established in the year 1994, when it joined the Pilsner Urquell the big brewery family. The biggest advantage for Gambrinus was a full modernization of brewery. Gambrinus started to support Czech football in the year 1996. Up to the present day, there has been the football Gambrinus League in the Czech Republic. [69] In the year 1998 the brewhouse of Gambrinus was modernized. This brewhouse was the biggest in the Czech Republic and was environmental – friendly. In that year were produced 3.5 million hectoliters of Gambrinus beer.

Gambrinus then started its super production in the year 2008. The brewery introduced its new product Gambrinus Excelent 11 degrees. For this beer originality, Gambrinus used the triple wort boiling process. The third wort boiling happens after the end of the boiling, when the beer starts to cool off. In that year the pale lager Gambrinus, which has been made from the 19th century in Pilsen, also got a new name – Gambrinus Premium. [70] In the year 2009 Gambrinus gained the protected geographic label - Czech beer that means that Gambrinus beer is made from the best raw materials by the traditional methods. The Gambrinus brewery celebrated its 140th anniversary in the year 2009 and

got a very special present. Every fourth drank beer in the Czech Republic was Gambrinus, which was a big success for the brewery.

The brewery started a new production of unfiltered beer in 2011. The first beer mugs were tasted by the popular Czech band “Tři sestry” and the representatives of the brewery gave the band 30 liters barrel for their Gambrinus Tour 2011. In June 2011 the first restaurant Gambrinus Original 1869 was opened. Today there are ten restaurants all over the Czech Republic. [71]

Then in 2012 was a year of rebirth of the Gambrinus brewery. Gambrinus launched Gambrinus Original 10 degrees, which has the quality of the Czech beer with even bigger taste of hops and malt. [72] Also in that year the brewery launched two new beers with a mixture of beer and fruity juice – lemon and lime with elderberry, which has only 2.1 percent of alcohol. These two new flavors are the best fresh summer drinks for hot sunny days. The third fruity flavor grapefruit was introduced a year later. Year 2013 was full of new products. The Gambrinus started to produce unpasteurized Gambrinus. The all three flavored beers were tapped to 1.5 liter pet bottles, which were very popular during the summer. On the 25th of June 2013 the Gambrinus brewery celebrated its 144th birthday and people can only wait for the novelties and other surprises in the year 2014. [73]

4. Brewing process

4.1 Pilsner Urquell

For the brewing process of Pilsner Urquell we need four raw materials. The first is soft water from its own one hundred meters deep wells, which accounts for 95 percent of Pilsner Urquell and its quality. The second raw material is Bohemian and Moravian biseriate barley, which is used to create the malt, so called malt of pilsner type. The third raw material is hops from Žatec. It is used double amount because of the triple wort boiling. The last raw material is yeasts, which are named H for Hansen, the biologist who discovered them. [74]

The whole process starts with soaking of the barley for 48 hours in the malt house. After soaking the barley is left five days to germinate. After that barley is dried in the maximal temperature 63 degrees during 24 hours and it becomes malt. The malt is stored in silos. Next step is to grind and clean the malt. The malt becomes grist and it is mixed with water, which has temperature about 30 degrees. This white slurry goes to the boiler, where always a third of the mixture is heated on the mashing pan to the specific temperature about 600 degrees, than comes back to the boiler mixed with two remaining thirds and another third goes to the mashing pan. This process is repeated three times always with a different temperature and the aim is to transform the mashing malt soluble substances into the solution on malt sugars. This triple mashing is the key to the delicious taste of Pilsner Urquell. The result of the process is called beer wort. The wort is decanted through a special perforated bottom and this gets rid of grist and it becomes draff. After that, cones of hops are added in the wort kettle and they are boiled with beer wort, this is called wort boiling and it also happens three times.

The result of this process is so called hopped wort, which is ridded of remains of sediments from hops. After that the hopped wort goes to the cooler, where it is cooled to 6,5 degrees, this temperature is called the ferment temperature. At this point yeasts are added to multiply – a special type used only for Pilsner Urquell and the oxygen is added to support the life cycle of yeasts. This process continues in the so called cold block, which is divided in two sections – ferment and lager. In the ferment section cylindrical-conical tanks for fermentation are placed, where the process of the main fermentation takes place and it lasts approximately twelve days. During this time the yeasts used up the sugars, which the beer gets during the boiling process. After 12 days emerges so called young beer, which is deprived of the most of the yeasts to stop the main fermentation. The young beer is pumped into the second section of the cold block, where it ripens for another 25-30 days in the temperature about 1,5 degrees below zero up to one degree.

After this time the beer is finished, filtered to the packing hall, where the beer is tapped to the bottles, cans, KEG barrels and storage tanks. The packing hall is a hall with the size of five football fields. It has 3 lines, 2 for bottles and

one for cans. It can produce 120 000 bottles per hour. Before the beer is tapped it has to be taken care by flowing pasteurization. That means short-term rising of temperature, which destroys microorganisms, which can badly affect the taste and the quality of the beer. Only the beer, which is tapped to the storage tanks, does not go through the pasteurization, because it goes to the biggest restaurants, which have their own tanks for pasteurization. This whole process lasts approximately five weeks. [75]

4.2 Gambrinus

The difference between Pilsner Urquell and Gambrinus is mainly in the price. That is because of different amount of raw materials and different brewing process. The raw materials are the same – barley, water, hops and yeasts. The whole brewing process has a few differences. For example at the beginning it is used fewer hops than for Pilsner Urquell. Gambrinus beer goes through only double mashing in boiling phase, to gain its characteristic taste. Also the wort boiling process is shorter. After that the process is nearly the same. Only at the packing hall, Gambrinus beer is not tapped to the storage tanks, only to bottles, cans and barrels. [76]

5. Competition

5.1 In the Czech Republic

Even when several Czech breweries joined the Pilsner Urquell brewery to be part of such a remarkable family, there are still many Czech breweries to compete with. In the Czech Republic there are 239 breweries from which 196 are microbreweries and 45 of them are industrial breweries. The boundary dividing these two types is 10 000 hectoliters of beer production.

The company Pilsner Urquell has its top position in the market in the Czech Republic firmly secured in terms of sales and exports. But there are other five companies which want to reach this position.

1) Pivovary Staropramen, s.r.o. – with brands such as: Staropramen, Braník, Ostravar, Velvet, Měšťan and Vratislav. The Staropramen breweries are the second biggest producer of beer in the Czech Republic. Its consumers offer

one of the biggest brand portfolio. Staropramen brand is now available in more than 35 countries all over the world. The company operates two breweries – Staropramen and Ostavar. Staropramen breweries, s.r.o. is a member of Molson Coors Brewing Company group, which is one of the greatest brewing companies in the world operating in Canada, the USA, Central Europe, the United Kingdom and other export markets. [77]

2) Heineken Česká republika, a. s. – combines brands: Heineken, Zlatopramen, Březňák, Kršovice, Starobrno and others. The corporate portfolio of brands of all the breweries in the Heineken Czech Republic, a. s., complete with the premium brand of Heineken, covers all the interesting segments of the Czech beer market. The company produces top quality products which satisfy the demands of a wide range of customers. The group favors the use of environmentally friendly processes in production. The ambition of this brewery is to consolidate its position as the third strongest player in the Czech beer market and on achieving this objective to then focus on searching for other opportunities for growth. [78]

3) Budějovický Budvar, n. p. – with brands: Budweiser Budvar and Pardál. From the long-term perspective, Budweiser Budvar, National Corporation has proved to be one of the most successful food- processing companies in the Czech Republic. Almost a half of its production is exported into more than 50 countries on all continents. In 2013, Budweiser Budvar's sales reached 1 424 000 hectoliters of beer. [79]

4) Pivovary Lobkowicz, a. s. – with brands such as: Platan, Lobkowicz, Merlin, Klášter, Rychtář and others. The Lobkowicz breweries are a purely Czech company that endeavors to return to the tradition of Czech brewing industry. These days, our company includes seven breweries: Protivín, Uherský Brod, Jihlava, Rychář, Klášter, Vysoký Chlumec and Černá hora. [80]

5) PMS, a. s. – with brands: Zubr, Holba, Litovel and Escape. This company includes three breweries: Zubr, Holba and Litovel. Litovel took the market by storm with a new brand of mixed alcoholic drink called Escape. This beverage is based on draught beer and is available in four flavors: lime, raspberry, ginger and guarana. [81]

5.2 In Europe

The competition in Europe is also not small and Europe is regarded as the world's top beer producer. Several states such as Belgium, Denmark, Germany, the Netherlands, England, Ireland and Switzerland are very devoted to the production of their traditional beer.

The best example of the traditional production is Belgium. There are approximately 180 breweries in the country and they brew several varieties of beer such as Amber ales, Blonde or golden ale, Brown ale, Champagne beers, Dubbel, Flemish Red, Lambic beers, Pils beers, Saison and more. Every type of beer has a special own uniquely shaped glass and using the correct glass is considered to improve its flavor. [82]

The Europe's largest beer producer is Germany and also has by far the most breweries about 1,330 which produce over 5,000 brands of beer. Also Germany is also known for the biggest beer festival called the Oktoberfest.

In the Netherlands in the year 1864 was established the first and remains the only truly global beer brand Heineken, enjoyed in 178 countries around the world. Heineken is the number one brewer in Europe and the number three brewer by volume in the world. [83]

In the Republic of Ireland beer is also very popular. They have two main types of beer Stout and Irish red ale. The most popular one is Stout which is unconditionally connected with the brewery Guinness. Guinness is a dry stout and is brewed in almost 60 countries. Guinness is available in over 100 countries. Irish red ale beer is a slightly red colored beer produced by several breweries. [84]

Generally thousands of European breweries produce thousands of different types of beers with traditional techniques and the best quality in the world.

5.3 In the United States

Beer is the most popular alcoholic beverage in America and accounts for about 85% of the volume of alcoholic beverages sold in the United States every year. The highest number of breweries appears to be in states: Washington, Oregon, Montana, Wyoming, Colorado, Maine and Vermont. Beer in the United

States is produced by more than 2,500 breweries from industrial to microbreweries. Many of the big breweries are owned by international conglomerates like Anheuser-Busch InBev or SABMiller. The best selling style of beer made in the U.S. is pale lager, which is made by most large-scale brewers, including Anheuser-Busch InBev and MillerCoors. The Anheuser-Busch brewery is the biggest in America. Its brand portfolio is divided into global, international and local brands. Global brands are Budweiser, Stella Artois and Corona. International brands are Becks, Leffe and Hoegaarden. To the group of local brands belong many American beers, for example Antarctica, Harbin, Jupiler, Rife and Yantar. [85]

Czech beer has very small percentage of volume on the American market, but still it is very well promoted and belongs to one of the most favorite foreign brands there.

6. Marketing

The foundation's marketing strategy involves building strong relationships with consumers and buyers through our range of well-differentiated and valuable brands that fully meet the evolving needs of the market. By following this philosophy the brewery continues to profit from intensive and successful brand building in the past years, both for our flagship brand Pilsner Urquell and its steady partner and market leader Gambrinus. The result is that the group Pilsner Urquell has maintained its market share in the reduction of industrial volumes.

The company invests in numerous cultural and public projects in cooperation with local authorities, foundations and cultural organizations. The main activities include, among other things, significant cooperation with the city Pilsen on numerous public projects involving education, arts, theater, health and sport. The brewery is also involved in many of the smaller regional activities.

6.1 Brand Portfolio

The Pilsner Urquell brewery offers an impressive, balanced portfolio of brands covering the premium, mainstream and economy segments.

Pilsner Urquell is a super-premium and export brand. It is the international flagship of SABMiller. It is recognized throughout the world for its unique flavor and superior quality. It is a bottom- fermented pale lager of exceptional quality achieved by using the traditional technology, which has become the internationally acknowledged standard of quality for all pale lagers. Pilsner Urquell brand is one of the main partners of the most prestigious sporting and cultural events. On the cultural scene, it accompanies the visits of top world artists to the Czech Republic. Pilsner Urquell is the General Partner of the Czech Olympic Team. This beer is also the official partner of the Czech Golf Federation and the organizer of the Pilsner Urquell Golf Cup amateur golf tournaments.[86]

Gambrinus is the most popular and most widely sold beer in the Czech Republic. With annual sales in excess of four million hectoliters, it accounts for one in every four beer sold in the country. Recently, it has been connected primarily with the Czech football, both with the highest Czech football competition that bears the name Gambrinus League, and with the international Czech football representation, the Gambrinus brewery is one of the sponsors of the Czech national team.

Gambrinus has several different types of beer and they are sold in stores differently. For example Gambrinus Original – pale draught beer can people buy in bottles, cans, plastic bottles, kegs and storage tanks, simply in every possible variation. Gambrinus Excellent is sold in bottles, cans, kegs and storage tanks and Gambrinus Premium in bottles, kegs and storage tanks. Gambrinus unfiltered and unpasteurized is sold only in kegs. Flavored Gambrinus – lemon, grapefruit and lime with elderberry – is sold in cans and plastic bottles. Last type of Gambrinus beer is Gambrinus Dry – Gambrinus with reduced sugar content which is sold only in bottles. [87]

Velkopopovický Kozel is a renowned and traditional Czech brand. This brand also has a few types of its beer. Velkopopovický Kozel Pale is more deeply fermented beer with a very distinct ester aroma. Velkopopovický Kozel Medium has a pleasantly bitter taste, a fine aroma of malt and hops and a perfect sparkle. Velkopopovický Kozel Premium a classic pale lager of the Czech type with a pleasantly bitter taste combined with a fullness derived from

optimum fermentation. The last one is Velkopopovický Kozel Dark. This beer is made of special dark malt. It has a caramel-like flavor with a taste of hops, a ruby color and a perfect balance of sweetness and bitterness. It has long been among the best Czech black beers. [88]

Radegast is the second best-selling brand in the Czech Republic. Radegast brand is the partner of important regional activities and events. It is sold in two variations Original and Premium. Radegast *Birell* is a non-alcoholic beer and it is a clear favorite in this category on the Czech market, with a constantly growing demand. Thanks to a special technology based on fermentation using a special kind of yeast, Radegast Birell achieves the taste of a classic beer that satisfies. Birell produces pale and semi-dark non-alcoholic beers and also two types of flavored beers – lemon with pomegranate and lime with raspberry. [89]

Special *Master* Beers were launched on the market because of an increasing demand for a unique taste experience. These days there are two Master specials Semi-Dark Master and Dark Master.

Klasik and *Primus* are economy sector brands, offering appropriate value for money in the off-trade sector. *Klasik* is a pale draught beer from the group of beers appreciated by all customers as a valuable source of water, minerals and other substances beneficial to the human body. *Primus* was designed for consumers who appreciate lighter and less bitter taste of beer. [90]

Frisco is the latest addition to the Company's portfolio. It is a fruit flavored malt drink, opening a brand new category of alcoholic beverages in the Czech Republic. Its unique recipe was developed by Pilsen brew masters. This refreshing modern drink is made from barley malt and is flavored with a hint of apple with lemon, cranberry, blackcurrant and white grapes with lotus. *Frisco* organizes a number of music events and is associated with the dance scene. [91]

6.2 Television commercials

One of the most popular types of marketing propagation is commercials. The Pilsner Urquell brewery buys the commercial spots in the television every

year to create a good name for its brands. Most frequent commercials are naturally for Pilsner Urquell and Gambrinus.

I start with analyzing commercials for Gambrinus. The Gambrinus commercials are focused on the regular consumer in the Czech Republic. There are 90 percent of men in the commercials and they do normal men activities like watching football, fishing etc. The most surprising commercial for me was a commercial from year 1999. There were policemen in the car and from all of the sudden this group of cyclists rode the bicycles 155 kilometers per hour. The beer was not even shown or mentioned in the commercial, there was just a catchphrase: "powerful attraction G".

Since the year 2000 the commercials have started to describe a similar story. Always there was a special group of friends who had to deal with some problems. For example, there was a dog attacking one of them. Some of them showed some kind of the joke, when the group made a prank to one of them. The slogans expressed the friendship you can find in the pub drinking the beer, or just the friendship when you get together to talk during drinking the beer. For example there were slogans: "with the taste together"; "the taste which makes friends" or "the true taste of friendship". Some of the commercials were connected to the football, and they took place in the stadiums or pubs, where people were watching football.

The commercials for Pilsner Urquell are more sophisticated. Most of them are shot like they are from the past, people have clothes from the 19th century and the cars and building are also out of this time. These commercials are usually based on some event from the past for example there is one commercial about the burn down of the national Theater in Prague, or they are based on some significant person like Bedřich Smetana, Josef Jungmann, Alfons Mucha, Emil Holub and others. The catchphrases for these commercials are "The Pilsner Urquell inspiring taste" and "The truth treasure is inside".

The Pilsner Urquell brewery also launched a set of commercials for the Olympic Games with the slogan "Pilsner Urquell, a proud sponsor of the Czech Olympic Team". Since the year 2010 Pilsner Urquell has changed the slogan of its commercial almost every year. In 2010 there was "Pilsner Urquell when you

know what is perfect", in 2012 "Originality – the true treasure" or in year the 2013 "Gift for Czechs from the pilsner brewmaster".

Frisco had its own first television commercial in the year 2011. This propagation was very thought-out. There were boys playing football and the ball was kicked towards some girls. These girls started to kick the ball and they were really good at it. This commercial wanted to show that Frisco is a malt beverage as well as beer and it can be for women. After that there was a set of commercials describing a party, passion and love with slogans "Unique as you are" or "Savor all colors of the night".

The commercials for Velkopopovický Kozel are mostly focused on people who work honestly. There were people with professions such as a glassblower or a repairman of trains or a cooker in a restaurant. They all do a great job and the slogan is "Who can do, can do". Radegast's commercials show troubles in life or very tough jobs as firemen or rescuers. And its slogan is stable for several years "Life is bitter, thank God".

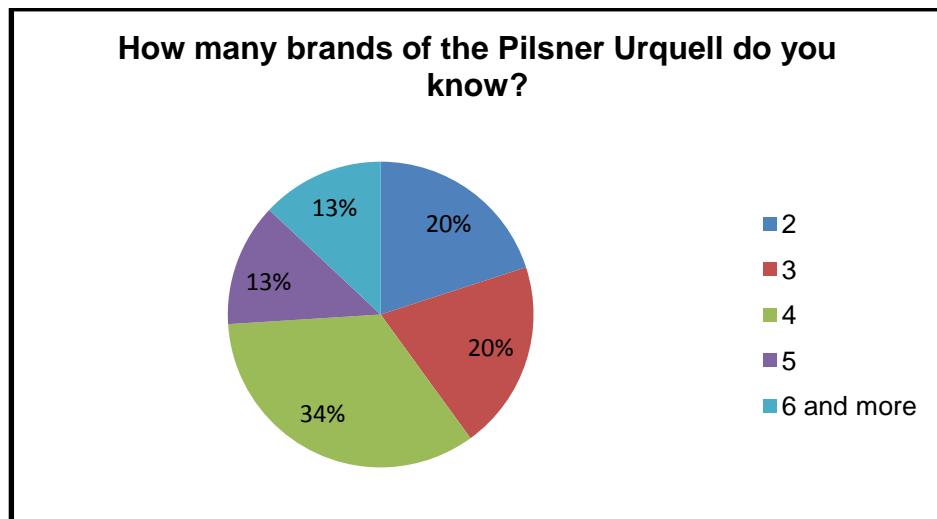
Every brand has its own style of propagation in television, but I really think that every beer tries to express its uniqueness and connect with its target groups of people in the Czech Republic and abroad.

7. Research

I decided to check the awareness about the brewery in the Czech Republic. I placed a questionnaire on the internet with 20 questions, which included questions about brands of the Pilsner Urquell brewery, historical questions, questions focused on consumption and questions about people's choices of beer and type of serving. I also asked about the majority owner of the Pilsner Urquell brewery, affect of commercials and about volume of export.

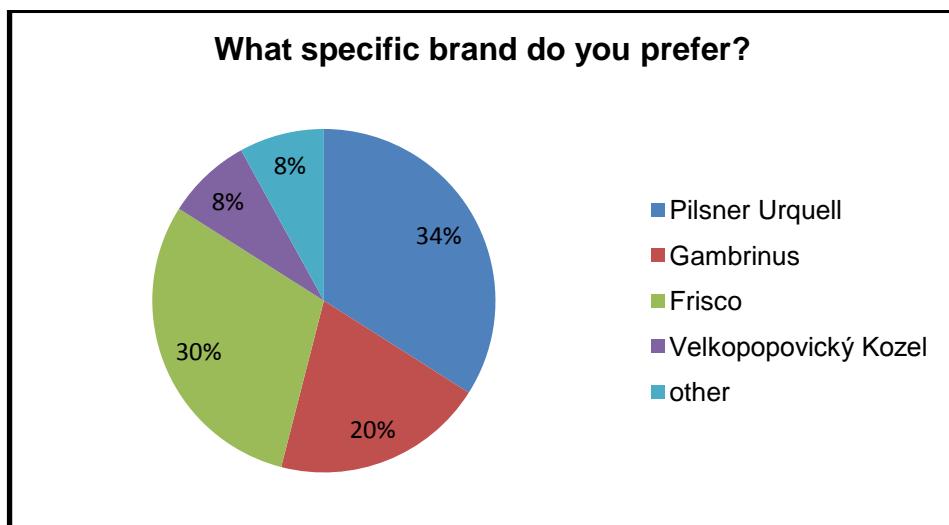
My first question was: *Do you know brand Pilsner Urquell?* Only one person answered that he doesn't know this brand, the rest of people, that means 98 percent answered that they know this brand. Second question was: *Do you know that the Pilsner Urquell brewery joins several Czech breweries?* Seventy-six percent of people answered that they know about this joining. Third question: *How many brands of the Pilsner Urquell do you know?* This question

was answered differently. For this purpose chart 1 was made to show the answers of people.



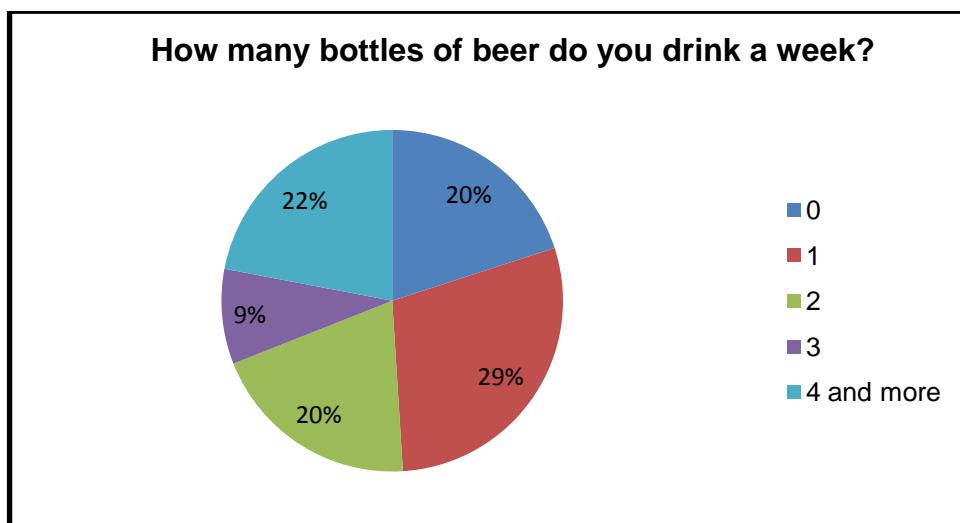
Source of Chart 1: Made by author based on information from questionnaire

The fourth question of my questionnaire was: *How would you describe the quality of Pilsner Urquell?* Most of the respondents answered with one word, for example: good, the best, high quality. Some of them wrote, that they think beer has high quality, but they are not fans of beer so they can tell exactly. On the other hand some of my respondents wrote that this beer is the best in the world. Every answer has very positive meaning, so I can tell that Pilsner Urquell has a very good name in the Czech Republic. The fifth question was: *Do you prefer Pilsner beer over other brands?* Seventy-eight percent of people answered, that they prefer Pilsner beer. The sixth question: *Do you prefer microbreweries or industrial breweries?* I was really surprised by this result. I assumed that most of the people would prefer industrial breweries, but thirty-six percent of people prefer microbreweries. My seventh question was: *What specific brand do you prefer?*



Source of Chart 2: Made by author based on information from questionnaire

Eight question was: *How many bottles of beer do you drink a week?*



Source of Chart 3: Made by author based on information from questionnaire

My ninth question was: *Where do you prefer to drink beer?* Answers at the restaurant and at cultural events have both forty-seven percent and answer at home chose just six percent of people. Tenth question: *In what form do you prefer to drink beer?* Eighty-nine percent of my respondents answered they prefer draft beer and seven percent prefer bottled beer. Possible answers beer in cans and in plastic bottles have both two percents. Eleventh question in my questionnaire was: *How would you rate the effectiveness of television commercials of the brewery?* Seventy-six percent of people answered the effectiveness is average. Thirteen percent of people chose very effective commercials and eleven percent said that they never even notice these

commercials on television. My twelfth question was: *What sport are you think of in connection with Gambrinus?* This question was really easy and ninety percent of people answered correctly, that the connected sport with Gambrinus is football. The rest of people said they can not remember at the moment. My first question focused on history was question number thirteen: *Do you know who was the first brewmaster of the brewery?* Sixty percent chose the correct answer which was Josef Groll. My fourteenth question was: *Do you know in which year the building of the brewery begun?* The correct answer was in the year 1839 which forty-nine percent of people chose correctly. Forty-six percent of respondents chose that the building begun in the year 1845 and four percent of them said in the year 1905. My next question was: *Can you guess how many hectoliters of beer, the Pilsner Urquell brewery exported in 2012?* For this question the right answer was 920,000 hectoliters of beer and fifty-eight percent of people guess correctly. The rest of the respondents chose 720,000 hectoliters. Sixteenth question was: *Do you know who is the majority owner of the brewery Pilsner Urquell?* The answers for this question were the biggest surprise of the whole questionnaire. The correct answer was SABMiller, but this answer chose just thirty-four percent of people. Sixty-four percent of respondents thought that the right answer is the Pilsner Urquell and two percent of them chose Heineken. My seventeenth question was: *Have you ever visited the brewery?* Seventy-eight percent of people said yes which was nice to found out. My eighteenth question was: *Have you ever visited brewery museum?* Fifty-eight percent of respondents said yes and the rest never visited this museum. My nineteenth and last question was: *Have you ever participated in the celebrations called Pilsner Fest?* Sixty-seven percent of people said yes they visited these traditional celebrations.

Forty-five people answered my questionnaire in one week with sometimes very different answers. Seventy percent of my respondents were women, which is interesting, because beer is considered for manly drink. I am very satisfied with my research, because it really shows that people are interested in Czech beer and they have good general knowledge about beer and the Pilsner Urquell brewery. Pilsner beer is, according to my opinion, the best product in our country and it is needed to be informed.

8. Conclusion

The present bachelor's thesis dealt with the company Pilsner Urquell, a. s. and its long term success in the world from the theoretical and practical point of view.

The main objective of this thesis was to introduce history of the company and show how long this traditional stock company has been in operation and then to find out how and on what kind of market this business with beer operates now. Every part of this objective was step by step introduced in several chapters of this bachelor thesis. History was described in chapters one and two. Chapter three was focused on beer and its brewing process. Chapter four dealt with competition in the Czech Republic, Europe and the United States. Chapter five was focused on the Pilsner Urquell brewery and its marketing, brand portfolio and television commercials. The last chapter was my own research which showed brand awareness of people in the Czech Republic. My research was the most creative part of this bachelor thesis. This research clearly stated that people are aware of the Pilsner Urquell brewery and they are interested in its history and products.

The main reason for writing this thesis was to give readers complex information about this brewery, because there is just one book, which describe the Pilsner Urquell brewery and I think that this is not enough. This brewery is one of the most important companies in the Czech Republic and makes Pilsen and the Czech Republic famous all over the world. It's a genuine and traditional brand which makes good name for our country and people should know about it.

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11. Abstract

The present bachelor's thesis is named Pilsner Urquell Breweries - History and Modern Development with Practical Analysis. This topic was selected because the concept of the Pilsner Urquell has been a significant part of Pilsen and its history and development. I have therefore decided to explore the history and modern development of the biggest brand in the Czech Republic and to provide the reader of the thesis with a contemporary view of this issue.

The main objective of this thesis is to introduce the history of the company and show how long this traditional stock company has been in operation and then to find out how and on what kind of market this business with beer operates now.

This thesis deals with many aspects of the Pilsner Urquell company. At the beginning there is introduced the history of beer and the brewery. These chapters are followed by chapters about the brewing process and competition of this brewery all over the world. The last part of this thesis is very practical and deals with marketing and also in this part is included research based on consumers.

12. Resumé

Tato bakalářská práce má název Pivovary Plzeňského Prazdroje – historie a moderní vývoj s praktickou analýzou. Toto téma bylo vybráno proto, že koncept pivovarů Plzeňského Prazdroje je významnou částí Plzně, její historie a vývoje. Proto jsem se rozhodla prozkoumat historii a moderní vývoj největší značky v České republice a poskytnout tak čtenáři práce, moderní pohled na toto téma.

Hlavním cílem této práce je představit historii společnosti a ukázat, jak dlouho tato tradiční akciová společnost je v provozu, a zjistit, na jakém trhu funguje tato společnost s pivem nyní.

Tato práce se zabývá mnoha aspekty společnosti Plzeňský Prazdroj. Na začátku práce je představena historie piva a historie společnosti. Po těchto kapitolách následují kapitoly o procesu vaření piva a konkurence tohoto pivovaru po celém světě. Poslední část této práce je velmi praktická a zabývá se marketingem společnosti a také v této části je zahrnut výzkum, který je zaměřený na spotřebitele.

13. Appendices

13.1 Appendix 1 – Questionnaire

Pilsner Urquell

Dobrý den,

věnujte prosím několik minut svého času vyplnění následujícího dotazníku, který je podkladem pro mojí bakalářskou práci a týká se pivovaru

Pilsner Urquell.

1) Znáte značku Pilsner Urquell?

- Ano
- Ne

2) Víte, že pod společnosti Pilsner Urquell, a.s. spadá několik českých pivovarů?

- Ano
- Ne

3) Kolik druhů piv, které vyrábí Pilsner Urquell znáte?

- 2
- 3
- 4
- 5
- 6 a více

4) Jak byste ohodnotili kvalitu piva Pilsner Urquell?

5) Dáváte přednost plzeňskému pivu před jinými značkami?

- Ano
- Ne

6) Dáváte přednost minipivovarům či velkým pivovarům?

- Minipivovar
- Velký pivovar

7) Jaké konkrétní značce dáváte přednost?

- Pilsner Urquell
- Gambrinus
- Frisko
- Velkopopovický Kozel
- Jiné

8) Kolik piv vypijete týdně?

- 0
- 1
- 2
- 3
- 4 a více

9) Kde pivo pijete nejradiji?

- Domov
- Restaurace
- Kulturní akce

10)V jaké podobě pijete pivo nejraději?

- Točené
- Lahvové
- Pet lahev
- Plechovka
- Sud

11)Jak byste ohodnotily efektivitu televizních reklam pivovaru?

- Velmi efektivní
- Průměrná efektivita
- Vůbec jsem si nevšiml

12)Jaký sport se Vám vybaví v souvislosti s Gambrinusem?

13)Víte, kdo byl prvním sládkem tohoto pivovaru?

- František Špalek
- Martin Stelzer
- Josef Groll

14)Víte, v kterém roce se začal stavět pivovar?

- 1845
- 1905
- 1839

15)Tipnete si, kolik hektolitrů piva, vyvezl Pilsner Urquell v roce 2012?

- 520 000
- 920 000
- 720 000

16)Víte, kdo je majoritním vlastníkem pivovaru Pilsner Urquell?

- SABMiller
- Pilsner Urquell, a.s.
- Heineken

17)Navštívil/a jste někdy pivovar?

- Ano
- Ne

18)Navštívil/a jste někdy pivovarské muzeum?

- Ano
- Ne

19)Zúčastnil/a jste se někdy pivních oslav nazvaných Pilsner Fest?

- Ano
- Ne

20)Jste

- Muž
- Žena

13.2 Appendix 2 – Glossary to the brewing process

- **biseriate barley** – special plant used in making beer or whisky arranged in two cycles - **dvoúradý ječmen**
- **malt house** – original house in which malt is made - **sladovna**
- **malt** – cereal grain, such as barley which is kiln-dried after it has germinated by soaking in water - **slad**
- **hops** – dried ripe flowers containing a bitter aromatic oil. Used in brewing industry for characteristic taste of beer - **chmel**
- **to grind** - be reduced to small particles by pounding - **mlít**
- **triple wort boiling** – process of heating the wort three times - **trojí chmelovar**
- **yeasts** – A yeast of the genus *Saccharomyces*, used as a ferment in brewing and also as a source of B-complex vitamins - **kvasinky**
- **to germinate** – To begin to sprout or grow - **klíčit**
- **mashing pan** – place where the malt or grain is converted into mash - **rmutovací pánev**
- **triple mashing** – a mixture of mashed malt grains and hot water, from which malt is extracted and it is also repeated three times - **trojí rmutování**
- **wort** – an infusion of malt that is fermented to make beer - **mladina**
- **fermentation** – a chemical reaction in which a ferment causes an organic molecule to split into simpler substances, especially the anaerobic conversion of sugar to ethyl alcohol by yeast - **kvašení**
- **cylindrical-conical tank** – tank where the beer is stored for a specific period of time to ferment - **cylindrokónický tank**
- **packing hall** – place where all types of packaging are filled with the liquid - **stáčírna**
- **to tap** – to draw liquid from a vessel or container - **stáčet**
- **pasteurization** – the act or process of heating a beverage, such as milk or beer, to a specific temperature for a specific period of time in order to kill microorganisms that could cause disease, spoilage, or undesired fermentation - **proces krátkodobého zvýšení teploty**

13.3 Appendix 3 – Brand portfolio



