

Skoda's Brand Problem

The meaning of "skoda" in the Czech language is "pity" or "shame". Oftentimes, when a Skoda car passes by, people will remark "there goes a shame". This indicates that British consumers see Skoda products as worthless and low-end. Furthermore, the brand is universally shunned by customers throughout the UK due to its poor reputation.

Beyond the name of the brand, Skoda faces the problem that the products offered are far too inexpensive as compared to other cars available in the market. The result is that potential customers have the impression there is something wrong with the vehicles associated with the Skoda brand. Additionally, the low price further emphasizes the widely-accepted notion that the cars attached to the Skoda brand name are undesirable. Particularly, Skoda cars in the 1980's were considered to be cheap and not very comfortable to travel in.

How Skoda's Image Impacts The Potential Buyer

Skoda does not have a great place in the automotive industry. Potential buyers "avoid purchasing" Skoda cars because their status might get affected badly, and there is not enough trust built by the brand. To continue upon this point, there are a lot of nasty jokes going around about the Skoda brand image and at times the word Skoda is used to address the "worst" of the products for other industries too.

Why Does The Customer React the Way They Do to the Skoda Brand?

Consumers react the way they do to the Skoda brand because of the general perception of the brand and because of conversations they have with others about the brand. The market and the image Skoda built over the past years is not favorable enough. The brand equity for Skoda in the market is low. The issues faced by the consumers with Skoda cars do not make it a reliable brand, creating many of these negative conversations among current/former customers and potential customers.

Targeting and Positioning Recommendations for Fixing Skoda's Brand Image in the UK

The goal for Skoda's Fabia model for entering the UK market is to increase Skoda sales, drive more people to buy Skoda, and to improve Skoda's brand equity. The right set of people to target for Skoda Fabia would be middle and upper middle-class income males and females ages 25 to 40. Furthermore, they should be people who use a car daily and who have a passion for driving or drive as a hobby, given that Skoda cars are based on high technology engines from VW production plants.

Skoda's brand positioning should focus on reliability, comfortability and excellence. The brand should occupy the "premium" position in the UK market with the launch of Skoda Fabia. Skoda's aim should be to emphasize its values on comfortable journey experience, safety, environmental benefits and give maximum customer satisfaction while traveling in the Fabia. Fabia shouldn't just be a car but should be positioned as an important companion that will help consumers in easing out their day to day life and commute. Skoda's positioning statement should be: "Your car, your companion, for your comfort."

Recommended Marketing Tactics for Skoda to Implement

1. **PRODUCT** - One of Skoda's main issues is the highly negative perception of their product as being low quality and shameful to own. To combat its becoming a sign of a decreased social status, Skoda should implement a rebranding strategy involving framing the meaning of the name to the brand's advantage. Rather than not addressing the name "Skoda" in an attempt to draw customers' attention away from its unfortunate meaning, the brand should use it to emphasize heritage which implies stronger quality. As the company is the third oldest car manufacturer in the world, and its name is due to its founder's name being Emil Skoda, the name could be used to spur a series of commercials with a distinct narrative; Skoda: a car with robust heritage and unmatched luxury, started by Emil Skoda and boasting proven engineering resilient through the first and second world wars.
2. **PRICE** - Another huge challenge Skoda is facing is the low price of its cars, which indicates poor quality to the consumer. Skoda should combat this by raising the price in conjunction with utilizing the name Skoda as something desired that shouldn't be. In a print ad campaign, the company should show the new higher price of the car and show the car as something to be desired, using words such as "shame," "sin," and "dare." Yes, it is shameful to own the car - because it is risky in an attractive way.
3. **PROMOTION** - Skoda needs to balance being both an old, well-established and classy car company with keeping up with modern technology. Rolls Royce, for example, one of its former main competitors, features a highly technologically advanced website with interactive graphics that enhance a customer's experience greatly. Through an upheaval of Skoda's tech, including their websites and in-store features, they could create that perfect balance between past proven performance and excitement for the future.

Which Marketing Tactic Should be Implemented First?

Skoda should begin by addressing their most pressing problem, which is the public's perception of their product. Therefore, going forward they should plan to first implement the first recommendation listed above, placing an emphasis on **PRODUCT**. A commercial series is the perfect way to form a new narrative for Skoda, as the commercials can be produced in a cinematic style, taking potential customers through the journey of the company and absorbing them into the world of Skoda. The brand's rich history, including its survival through two world wars, lends a great opportunity for creating a sense of strong heritage, a quality often associated with luxury. The commercials should air on television, beginning during the showing of popular programs keeping the target customer in mind, and then easing into playing during large events. Particularly, the commercials should eventually be played during large sporting events as this reaches much of the target customer group.