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Comparative Analysis of the Nescafé Brand within the RTD Iced Coffee Segment among Generation Z in the Czech Republic and Germany

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ABSTRACT:
The ready-to-drink (RTD) coffee market is growing rapidly. Given that consumers face busier lifestyles in today's dynamic world, their preferences are significantly evolving towards greater convenience, making RTD coffee beverages a practical choice for their on-the-go needs. Nescafé, as a globally known coffee brand, targets the largest generation to date, Generation Z, with its RTD iced coffee offering. However, consumers of this generation place emphasis on sustainability, authenticity and experiences. If a brand does not align with these values and preferences, they will most certainly avoid its products.

Currently, there is a lack of studies examining brand perception and awareness within the rapidly growing RTD coffee segment. This study thus aims to explore how the Nescafé brand is perceived within this segment by the target audience, Generation Z, in Czechia and Germany. The primary objective is to identify key similarities and differences in brand perceptions and awareness between these two European markets. The theoretical background of this study thus concentrates on two core areas, including Aaker´s brand equity model and Generation Z itself. Aaker´s model is applied in this study as it offers key dimensions of brand equity, which serve as the foundation for the comparison of brand perception and awareness. These dimensions include brand awareness, perceived quality, brand loyalty and brand associations.

Based on these four dimensions, ten hypotheses are developed and subsequently tested. Data for testing has been collected through an online questionnaire from a total of 120 Generation Z individuals, with 66 respondents living in Czechia and 54 in Germany. The questionnaire includes questions on both brand recall and recognition, as well as Likert-scale based questions. Statistical tests are performed in IBM SPSS Statistics, including the Chi-Square test and the non-parametric Mann-Whitney U test. Additionally, mean ranks are also included for more detailed comparisons. This thus highlights the use of quantitative research method in this study.

The findings have revealed several similarities and differences between Generation Z in the Czech Republic and Germany in terms of their perception and awareness of the Nescafé brand within the RTD iced coffee segment. The similarities include low brand recall, relatively high brand recognition, a similar level of brand loyalty to Nescafé over other brands, and a comparable association with authenticity. However, key differences have emerged in the perceived quality, willingness to recommend the Nescafé brand (a loyalty aspect), and associations with sustainability and experiences. Key recommendations for Nescafé thus include focusing on digital brand visibility (for both countries), elevating the brand´s perceived quality (especially in Czechia), and actively communicating its sustainability practices (especially in Germany).

KEYWORDS: Comparative analysis, Czech Republic, Germany, Brand equity, Generation Z, Nescafé

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Abbreviations

AI	Artificial intelligence
e.g.	for example
EU	European Union
EY	Ernst & Young Global Limited
FMCG	fast-moving consumer goods
MR	mean rank
RTD	Ready to Drink
spec.	specifically

1 Introduction

It is commonly suggested that coffee ranks among the most widely consumed beverages in the world (Ayoob Lone et al., 2024, p. 3925). In October 2024, global consumption of all forms of coffee rose by 2.2% compared to the same month of the previous year, reaching approximately 177 million 60-kilogram bags of coffee (International Coffee Organization, 2024). This trend indicates a growing consumer demand for coffee worldwide. Moreover, Eurostat (2024) reports that the value of coffee imports into the European Union (EU) grew significantly, increasing from €7.3 billion in 2013 to €10.6 billion in 2023. This increase of more than 45% not only highlights the importance of coffee as one of the global commodities but also indicates the growing popularity of coffee as a beverage in the EU over the past decade.

According to the Centre for the Promotion of Imports from developing countries (CBI, 2024), an agency of the Netherlands Ministry of Foreign Affairs, there is an increasing interest among consumers in the EU for so-called ready-to-drink (RTD) coffee beverages. The agency states that "ready-to-drink (RTD) coffees form one of the fastest-growing market segments in Europe." From 2023 to 2028, the compound annual growth rate of the RTD coffee market is forecasted to reach 8% (CBI, 2024). Maciejewski and Mokrysz (2020, p. 140) emphasize that the RTD coffee market is growing rapidly and further argue that companies need to tailor their offerings to current trends in consumer preferences, such as convenience. As consumers face busier lifestyles in today's dynamic world, their preferences are significantly evolving towards greater convenience, making RTD coffee beverages a practical choice for their on-the-go needs (Statista, 2024b). This thus underlines the overall importance for brands to adapt their product portfolios, given that the RTD coffee market is growing dynamically and consumer preferences are evolving.

During the Nestlé Capital Markets Day 2024, David Rennie, the head of Nestlé coffee brands, revealed that the company is with its cold coffee offerings targeting Generation Z, as this demographic tends to favour this coffee format as their first coffee beverage (Nestlé Global, 2024). He specifically stated that Nestlé's RTD iced coffee products are targeted toward consumers aged around 16 to 30. Furthermore, Rennie pointed out the growing occasions for coffee consumption, particularly in the context of afternoon indulgences, which are greatly influenced by the rising popularity of cold coffee. Precisely, this coffee format has integrated itself into the daily routines of young individuals, with two out of three consuming it on a regular basis (Nestlé Global, 2024).

Nescafé, as one of the coffee brands owned by Nestlé, offers RTD iced coffee beverages in its product portfolio on the Czech and German market, among other markets (Nescafé CZ, 2025c; Nescafé DE, 2025; Nestlé Global, 2024). However, as the RTD coffee market is growing rapidly, Nescafé is not the only brand, that offers RTD iced coffee beverages (CBI, 2024; Košík.cz, 2024; Maciejewski & Mokrysz, 2020; Rewe GmbH, 2025; Rohlik.cz, 2024). These products are also offered on the Czech and German market by brands such as Starbucks, Costa, Alpro, Tatra, Hochwald, Ehrmann, Alnatura, Bärenmarke, Rauch, Dovgan, Mr. Brown, Big Shock and others (Amazon.de, 2025; Košík.cz, 2024; Rewe GmbH, 2025; Rohlik.cz, 2024). However, given that Starbucks and Nestlé have established a “global coffee alliance” since 2018, it is important to note that Starbucks does not represent a competitor to Nescafé in the traditional sense (Nestlé Global, 2024; Starbucks, 2023). Thus, with many options available, addressing the awareness challenge plays a crucial role, especially for strategic purposes, as it influences consumer purchasing decisions (Aaker, 1991, 1996; Košík.cz, 2024; Rewe GmbH, 2025; Rohlik.cz, 2024).

It is, in particular, brand equity that enables brands to achieve increased sales and profits, as it has the ability to create a bias in the customer’s mind to choose the products of a particular brand over the alternatives from competitors (Holden, 1992, p. 182; Kacen, 2010). In addition, the higher the brand equity, the more consumers are willing to pay a premium for that brand’s products (Holden, 1992, p. 182). Given that the brand name itself can significantly influence consumers’ decisions when making a purchase, it represents a highly important asset for any company on the market (Azzahra et al., 2023, p. 2). Furthermore, for the current “most challenging” Generation Z, due to their “completely different approach to shopping than previous generations,” brands must build strong brand equity by combining value, quality, and ethical practices to effectively connect with this demographic and influence their purchasing decisions (Aaker, 1996; Matušić et al., 2024, p. 480).

Therefore, the growing RTD coffee market, the specific preferences of Generation Z, and the importance of brand equity highlight the significance of this study. There is already a decent amount of academic books written on the topics such as global brand strategies, brand-consumer approach, consumer-brand relationships or how to build brand equity, among others (Aaker, 1991, 1996; Buttle & Maklan, 2015; Chernatony & McDonald, 2003; Czinkota & Ronkainen, 2010; Fetscherin et al., 2013). However, the RTD coffee segment remains outside its focus area. Not to mention that there are also already established studies and analyses that concentrate on the RTD coffee market, or on the coffee consumption behaviour of Generation Z, package design of RTD coffee products, etc. (Akiyama et al., 2011; Azahra et al., 2024; Euromonitor International, 2025b; Fortune Business Insights, 2025; Mordor Intelligence, 2025; Statista, 2024b; F. Wibowo et al., 2023). However, there is still a lack of studies that conduct comparative analyses between markets that examine the brand equity dimensions of globally recognized coffee brands within the RTD coffee segment. Therefore, this study concentrates on one globally well-known coffee brand with the intention to undercover and mainly compare the perceptions and awareness of this brand within the RTD coffee segment across two selected European markets.

1.1 Aim, research question and objectives

Overall, this study focuses on the global coffee brand Nescafé within its product line of RTD iced coffee products. Rees (2019), as the industry manager for food and nutrition for Euromonitor International, revealed that Nescafé ranked third in the *Top 100 Megabrands* list for fast-moving consumer goods (FMCG) brands worldwide. The top two spots were taken by Coca-Cola and Pepsi only (Rees, 2019). Furthermore, Nescafé ranked first as the leading hot drinks brand in the world (Rees, 2019). These rankings highlight Nescafé's strong position in the global coffee market, demonstrating its ability to compete with the world´s leading FMCG brands. Therefore, this study concentrates on this specific coffee brand within the RTD iced coffee category.

The aim of this study is to conduct a comparative analysis of the brand awareness and perceptions of the Nescafé brand within the RTD coffee segment among Generation Z, the target audience, between two selected European markets. These include the Czech Republic and Germany. Germany is a large Western European economy, and the Czech Republic, on the other hand, is a small Central European economy (European Union, 2025b, 2025a; Glunz, 2025). These countries were selected particularly because of their “high consumption rate of coffee per capita” and “growing preference for convenience and on-the-go consumption” (Statista, 2024a, 2025). The research question of this study is, therefore, formulated as follows:

What are the similarities and differences in how Generation Z in Czechia and Germany perceives and is aware of the Nescafé brand within the RTD iced coffee segment?

To answer the research question, this study combines Aaker’s brand equity model with a thorough theoretical background on the consumer values and preferences of Generation Z. Specifically, four Aaker´s brand equity dimensions are used to access Generation Z´s perspective on the Nescafé brand within the RTD iced coffee. These include brand awareness, perceived quality, brand loyalty and brand associations. Overall, covering these countries and identifying the similarities and differences may thus uncover opportunities for Nescafé’s growth within this coffee segment. At the end, this study also provides insights for other brands within the RTD iced coffee segment, identifying key areas brands can target to strategically align with Generation Z’s preferences and values. These insights are discussed in the managerial implications section.

Ultimately, the similarities found reveal how Generation Z perceives and is aware of the Nescafé brand in the Czech Republic and Germany, providing brand management insights to be relevant on both markets and potentially extendable to a broader European context. On the other hand, the differences found reveal contrasts, allowing for tailored approaches to align with each of these market conditions. Therefore, based on these research insights, managerial implications can be formulated.

1.2 Delimitations

To carry out focused and relevant research, the scope of this study has been narrowed by various delimitations. This approach thus allows for a more in-depth analysis and specific conclusions.

In this study, Nescafé's RTD product line is examined through the Aaker's brand equity model, within which the author focuses exclusively on the four previously mentioned key dimensions of brand equity. In addition, since Nescafé's RTD iced coffee beverages are the core subject of this study, other Nescafé coffee products, such as instant coffee or Nescafé Dolce Gusto capsules, remain outside its scope.

This study surveys only Generation Z individuals aged 18 and older through a questionnaire, as this age group is legally considered adults, allowing the author to adhere to ethical standards and regulations regarding informed consent in research. More precisely, the Generation Z individuals who are part of this study fall within the age range of 18 to 30 years.

Furthermore, this study focuses on Generation Z adults currently living in either the Czech Republic or Germany and does not include individuals living in any other country or region. Although this limits the findings to a specific geographic area and may not fully reflect the preferences, habits, and behaviours of Generation Z globally, the recommendations regarding Nescafé's RTD offering may, after consideration, still be applicable in the European context. It can be considered still potentially applicable because this study examines two distinct economies—a smaller Central European economy, such as the Czech Republic, and a larger Western European economy, such as Germany.

1.3 Structure of the study

The structure of the study is as follows. The first chapter has already been introduced and presents the background of this study.

In the following chapter, the theoretical foundation is built, beginning with developing a comprehensive framework for brand equity, including the four key dimensions of the Aaker's brand equity model. Subsequently, this chapter delves into the unique consumer behaviour, values and preferences of Generation Z. Furthermore, this Chapter 2 also incorporates the hypotheses linkage to the theoretical background.

Chapter 3 then presents the research methodology of this study. It outlines the research design, in the light of selected research philosophy, approach, strategy and the research method. Furthermore, it describes the process of data analysis and highlights the steps taken to ensure the reliability and validity of this research.

Afterward, in Chapter 4, the focus shifts to the introduction of the Nescafé brand as the coffee brand selected for a comparative analysis of awareness and perceptions across the two selected markets. Overall, the findings are presented in Chapter 5 of this thesis, starting with a presentation of the research sample and moving on to the results of individual hypotheses testing.

The final conclusions are then presented in Chapter 6. This includes not only answering the research question but also providing managerial implications and future research directions. In addition, limitations of this study are also presented.

Lastly, the ethical use of artificial intelligence (AI) in this thesis is described in Chapter 7.

2 Theoretical background

2.1 Brand equity

The concept of brand equity was first introduced in the late 1980s (Baalbaki & Guzman, 2016, p. 229). It was in the year 1989 when Peter H. Farquhar defined the term brand equity as the “added value with which a brand endows a product” (Farquhar, 1989, p. 24). Two years later, Aaker (1991, pp. 26–27) defined brand equity as a “set of brand assets and liabilities linked to a brand, its name and symbol,” that affect the value of a product or service, either by increasing or decreasing it, in relation to the company or even its customers. While the product is designed to meet the practical needs of consumers, the brand, which is embodied through its name, logo, design, and other distinctive features, goes beyond the product’s functionality to create and add value for the product itself (Aaker, 1996, pp. 7–8; Farquhar, 1989, pp. 24–25).

Brand equity is thus closely linked to consumers’ attitudes towards a particular brand and its products, as it plays a crucial role in their purchasing behaviour (Farquhar, 1989, p. 27). According to Holden (1992, p. 183), brand equity has the ability to create a bias in the customer’s mind, leading them to influence their purchase decisions towards the branded products of a particular company over the alternatives offered by competitors. Moreover, this bias increases their willingness to pay a premium and make repeated purchases (Czinkota & Ronkainen, 2010, p. 331; Holden, 1992, p. 183). In other words, “value-added brands” possess the ability to charge premium prices because they provide customers with more benefits than competitors (Chernatony & McDonald, 2003, p. 326). Companies can, therefore, effectively capitalise on the equity of their brands to achieve higher sales and profits. Brands, in turn, serve as key strategic assets that provide competitive advantage, with brand equity revealing how well they perform (Kacen, 2010).

According to Farquhar (1989), brand equity can be leveraged in two possible ways, which include line extensions and category extensions. These two types of extensions fall under the category of brand extensions (Farquhar, 1989). Line extensions involve launching new products to the market that vary in aspects such as flavour, ingredients, form, packaging or usage, with the intention of targeting different consumer needs and preferences (Aaker, 1996, p. 275; Farquhar, 1989, pp. 29–30; Kadiyali et al., 1998, p. 340). Line extensions thus represent a specific form of lending brand equity to the company's newly introduced products within the same product category. In contrast, category extensions go beyond the specific product category, leveraging brand equity in a different product segment (Farquhar, 1989). In this diploma thesis, the primary focus is on brand equity within line extensions, as RTD iced coffee still falls under the coffee product category.

However, it is still important to note that within the scope of brand extensions, there are possible weaknesses and dangers that may emerge. For instance, if the line extension is not perceived well by the audience, it can create undesirable associations with the brand and thus harm the core brand itself. Moreover, the quality associated with the brand in the customer's mind may decrease if the quality of the new line extension does not meet the customer's expectations. Additionally, there is also no guarantee that the line extension will add brand value to the new product line (Chernatony & McDonald, 2003).

Overall, there are various explanations and applications of brand equity, as well as different approaches to its measurement (Rodrigues & Martins, 2016, p. 509). Although Farquhar and Aaker's concepts of brand equity were initially well-received, as early as 1996, concerns were raised regarding its limited practical applicability and challenges in achieving measurable outcomes. The critique was primarily focused on the overly general nature of the concept. On the other hand, within the same year, support for the findings of Farquhar and Aaker also emerged, supporting the validity of the concept of brand equity (Smith et al., 2007). For instance, Agarwal and Rao (1996) carried out research that confirms the measurability of brand equity. They particularly emphasized that brand equity can be measured with different types of data, such as "financial market value data, historical accounting data, scanner data and consumer surveys" (Agarwal & Rao, 1996, p. 237). Therefore, although Aaker's 1991 brand model was the first in the industry to demonstrate that brand equity could be measured through consumers' brand perceptions, later in 1996 the model was expanded and modified to suit a wider range of markets and incorporate updated insights (Smith et al., 2007).

It has been suggested that brand equity is "one of the most critical areas for marketing management" (Rio et al., 2001, p. 1). According to Aaker (1996, pp. 7–8), brand name awareness, perceived quality, brand loyalty and brand associations represent one of the key assets that generate value for the company's products and services beyond their functional purpose. Thus, Figure 1 illustrates how each of these dimensions of brand equity can create value for a company in a different way.

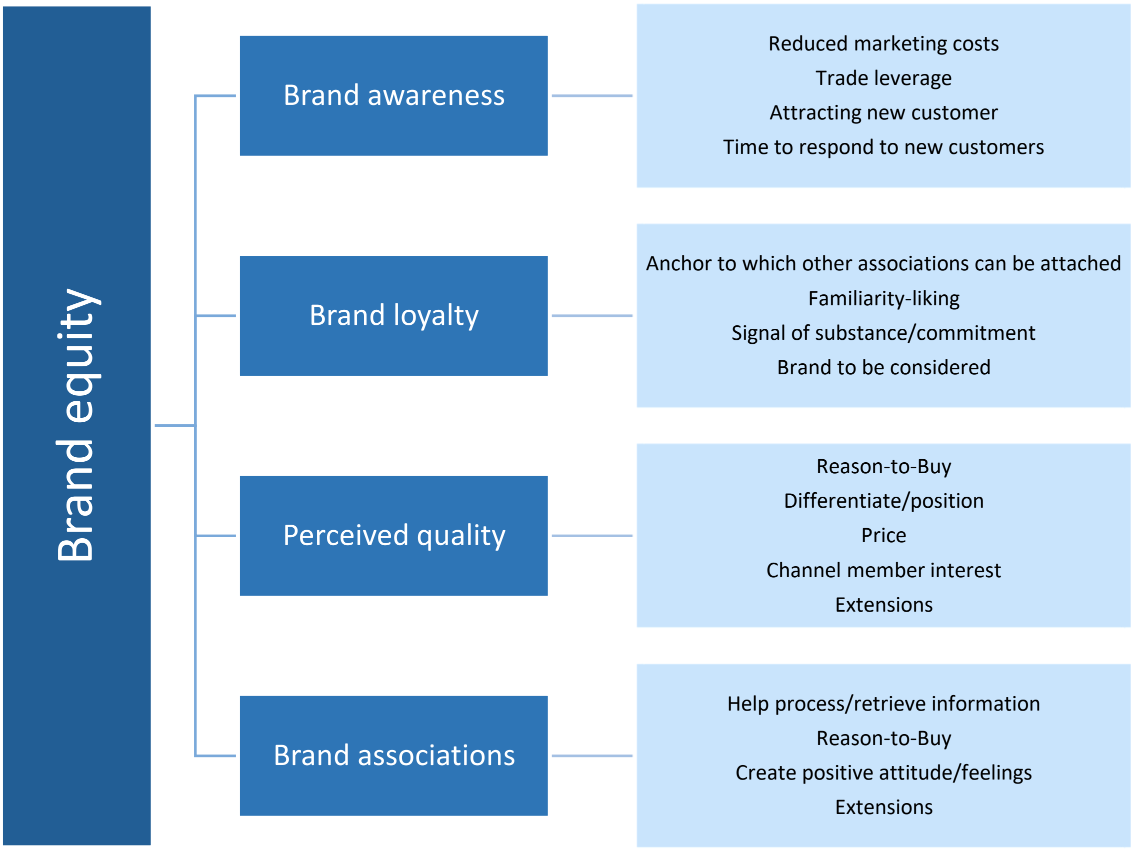

Figure 1: How brand equity generates value (adapted from Aaker, 1996, p. 9)

2.1.1 Brand awareness

Building a brand requires addressing the awareness challenge, particularly for strategic purposes (Aaker, 1996, p. 17). According to Aaker (1996, p. 10), brand awareness provides insight into "the strength of a brand's presence in the consumer's mind." He states that consumers are exposed to more and more brands in their everyday lives, and being present as one of the brands represents a key challenge to improving the brand equity. In the past, simply being recognized by "Just spell the name right" was sufficient for a brand, however, that's no longer enough (Aaker, 1996, p. 17). Aaker (1996, p. 10) therefore emphasizes the role of certain concepts in determining brand awareness, such as brand recall and brand recognition.

According to Aaker (1996, p. 11), brand recall tests the ability of a consumer to name a brand in the context of a certain product category. This concept is commonly referred to as unaided recall, as respondents are not provided with a hint in the form of a list of brands. Brand recall or so-called unaided recall is particularly difficult for respondents because they must come up with the brand names from their own memory (Aaker, 1991; Khurram et al., 2018).

In Figure 2, at the top of the pyramid stands the so-called *top of mind*. It refers to a situation when a consumer identifies the brand first before others. This indicates high brand awareness in the consumer's mind, which increases brand equity and significantly influences consumer purchasing decisions (Aaker, 1991, 1996). On the other hand, the bottom of the pyramid in Figure 2 reflects a situation when consumers are not able to recall or even recognize the brand. Khurram et al. (2018, p. 223) particularly emphasize that people tend to prefer the option they "recognize from a previous experience over the unrecognized option," as this familiarity provides them with a certain level of security.

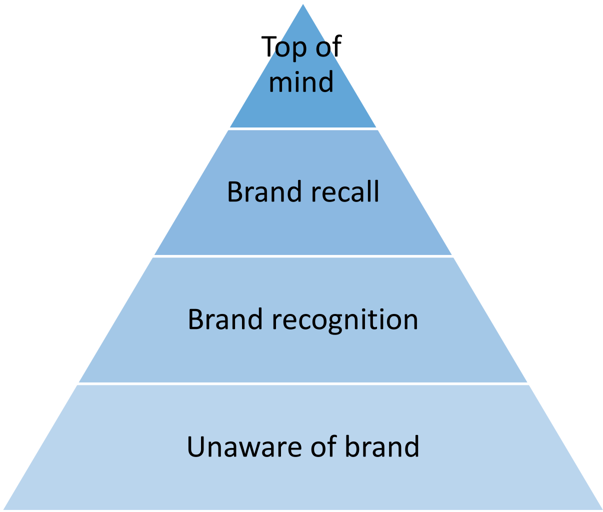

Figure 2. The awareness pyramid (adapted from Aaker, 1991, p. 70)

The other concept in determining brand awareness is brand recognition (Aaker, 1991, 1996; Khurram et al., 2018). Aaker (1996, p. 10) asserts that brand recognition refers to the consumer's "familiarity gained on from past exposure." Brand recognition thus demonstrates the consumer's ability to identify a given brand without being told what brand it is (Aaker, 1996, p. 10; Khurram et al., 2018, p. 223). Consumers thus do not have to identify the specific occasion when they have been familiarized with the brand for the first time or where the brand stands among others on the market. They do not even have to be able to name its product offering. It thus precisely focuses on the recognition itself which can significantly influence consumer purchasing decisions (Aaker, 1996).

Specifically, Kotler and Keller (2016, p. 587) stated that brand recall plays a key role outside the store, but brand recognition is crucial once customers are inside. Consumers simply prefer to purchase products from brands that they recognize (Aaker, 1996, pp. 10–11; Khurram et al., 2018, p. 234). Kotler and Keller (2016, p. 587) further emphasize that gaining brand recognition is less difficult than to achieve brand recall by consumers. However, both brand recognition and recall hold a strong power in influencing consumer purchasing decisions (Khurram et al., 2018, p. 234).

In Figure 3, the so-called Graveyard model is shown, presenting the recall and recognition concepts. The curved line illustrates the relation between recall and recognition. If we had 20 companies within a certain product category and conducted a brand recall and recognition survey among respondents, the brands would be positioned along this line. The positioning would thus reflect how well each brand is recalled and recognized among the surveyed consumers. Nonetheless, there are two exceptions to this general principle (Aaker, 1996).

The first exception refers to the niche brands. These brands are well-recalled by their loyal customer base but struggle with comparatively low brand recognition among the general public. Therefore, they are positioned under the curved line in Figure 3. However, this does not indicate their performance is insufficient, as these brands might have a significant potential to increase their overall recognition (Aaker, 1996).

On the other hand, the second exception concerns the graveyard area shown in the upper left corner of Figure 3. As the name of this area suggests, being positioned in this part of the figure is undesirable for brands. It indicates that customers are aware of the specific brand, but the brand does not immediately come to their minds, which significantly affects their purchasing decisions. Therefore, the brand is well-recognised but faces low brand recall among consumers compared to alternative brands on the market (Aaker, 1996).

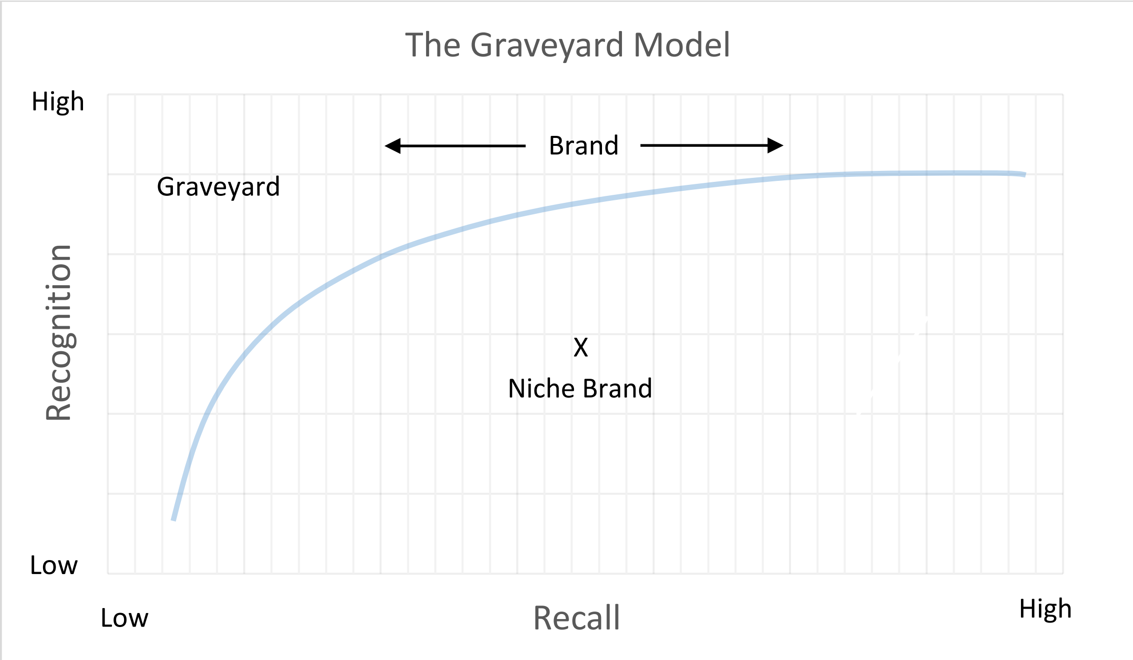

Figure 3. Recognition versus Recall: The Graveyard model (adapted from Aaker, 1996, p. 15)

2.1.2 Perceived quality

As Farquhar (1989, p. 27) stated, “Quality is the cornerstone of a strong brand.” Furthermore, Keller (2007, p. 117) stated that perceived quality is one of the most important aspects with which a brand can be associated. Perceived quality represents a key asset that can positively influence a firm’s financial performance, as the perceived quality not only affects the price a brand can charge for its products (or services) but also provides an opportunity for continuous brand extension (Aaker, 1991, 1996, p. 17).

Perceived quality arises from an evaluation of the brand’s performance in meeting the intended purpose of the product (or service) compared to its competitors. Therefore, the perceived quality is inherently subjective due to differences in preferences and personalities, varying from person to person (Aaker, 1991). Moreover, according to Keller (2007, p. 117), customers’ attitudes are not based on a single factor but are rather very complex, including many associations from different perspectives (Keller, 2007, p. 117). On the other hand, Aaker (1996, p. 20) claims that their opinion usually relies on one to two aspects only. He argues that even if customers had access to all the information to objectively assess quality, their perception would still be limited. He states that it is because they either do not want to spend time on it or they do not simply have the motivation (Aaker, 1996, p. 20).

However, despite the subjectivity of customers, companies can still aim for a high level of perceived quality to become so-called “product-quality leader” (Aaker, 1991; Kotler & Keller, 2016, p. 491). Furthermore, companies can even aim to become so-called “affordable luxuries” (Kotler & Keller, 2016, p. 491). This means focusing on building brands with products of a high degree of perceived quality and with prices set to a level that remains affordable for consumers. For instance, brands such as Starbucks, Victoria’s Secret and BMW have built a loyal customer base by strategically setting the level of price, quality and luxury of their products (Kotler & Keller, 2016).

However, it is important to take into account that “generating high quality requires an understanding of what quality means to customer segments” (Aaker, 1996, pp. 19–20). It is possible that a company excels in a certain aspect of quality that target customers do not necessarily value. Therefore, it is crucial to focus on the intended audience, their needs and preferences so that the quality of the products matches them (Aaker, 1996). Overall, a brand’s value is determined by how consumers perceive it (Keller, 2007, p. 125).

2.1.3 Brand loyalty

According to Azzahra et al. (2023, p. 4), one of the fundamental goals of brand management is to build brand loyalty. Brand loyalty can be determined as a biased consumer’s behaviour over a certain period of time towards a particular brand, which leads to repeated purchases of products or services of that brand (Jacoby & Kyner, 1973, p. 2; Kumar, 2009, p. 372). According to Jacoby and Kyner (1973, p. 2), it thus significantly involves the component of “biased purchasing behaviour.” However, this behaviour does not have to be limited to a single brand within a particular product category. It is argued that consumers may develop their loyalty to one or even a few brands on which they spend the most money in that certain product category (Aggarwal & Commuri, 2023).

This means that multi-brand loyalty may also occur. Additionally, brand loyalty is mainly built on past experiences with the brand and takes time to develop. Therefore, a perception of a given brand is not immediate (Aggarwal & Commuri, 2023).

Brand loyalty plays a key role for several reasons and one of them is that highly loyal customers can provide companies with “very predictable sales and profits” (Aaker, 1996, p. 21). These highly loyal customers are the least likely to switch to a competitor as their switching costs are too high. They would rather pay a higher price for a brand they are dedicated to than switch to its competitors, which makes them relatively less sensitive to changes in product prices (Castaldo, 2024; Guillén & Rubio, 2019). Moreover, the longer a customer remains loyal, the more they typically spend. Additionally, these customers often attract other customers by giving positive references. Therefore, loyal customers are of crucial importance to any business (Aggarwal & Commuri, 2023)

Kotler and Keller (2016, p. 282) divide consumers into four categories based on their degree of brand loyalty, and these categories include:

1. “Hard-core loyals” – loyalty to only one brand
2. “Split loyals” – loyalty to two to three brands
3. “Shifting loyals” – loyalty changes from one brand to another
4. “Switchers" – no brand loyalty

According to Aaker (1991, p. 29), it is very expensive to acquire new customers, but in comparison, retaining them is minimal. It is claimed that it can be even five times more costly to acquire new customers rather than focusing on retaining them (Aggarwal & Commuri, 2023). Additionally, “focus on loyalty segmentation provides strategic and tactical insights that will assist in building strong brands” (Aaker, 1996, p. 22). Therefore, taking into account even these four individual categories of customer loyalty can provide the company with significant insights and benefits (Kotler & Keller, 2016, p. 282). From the analysis of “hard-core loyals,” a company can discover its brand strengths, from “split loyals" to identify its competitors, and from "shifting loyals" to find out its weaknesses in marketing that can then be aimed at being corrected (Kotler & Keller, 2016, p. 282).

Furthermore, Aaker (1996, p. 22) identified a group of "the passively loyal," who purchase products from a certain brand out of habit rather than for any particular motive. Aggarwal and Commuri (2023) emphasize that these consumers have no special bond to the brand other than repeat purchases. For instance, if a family buys the Nescafé instant coffee for decades and they are satisfied with it, they do not feel the need to switch to any other brand, meaning the potential competitor. Therefore, even though there would be no established relationship with, for example, the Nescafé brand, they would purchase its products repeatedly out of habit (Aggarwal & Commuri, 2023). It is thus highly important to focus on efficient distribution and sufficient stocks to prevent a situation where this given brand's products are unavailable in stores, and the customer thus switches to a competitor (Aaker, 1996, p. 22).

2.1.4 Brand associations

Brand equity is also represented by brand associations (Aaker, 2014, p. 84). According to Aaker (1991, p. 115), brand associations can be characterized as anything consumers can associate with a particular brand from their memory. These brand associations can thus serve as the "key determinant in the long-term relationship of the consumer with the brand" (Roman et al., 2018, p. 715). Therefore, companies focus on building a brand that would be associated with as many unique and favourable elements as possible (Kotler & Keller, 2016, p. 32).

Kotler and Keller (2016, p. 193) highlight that brand associations include "all brand-related thoughts, feelings, perceptions, images, experiences, beliefs, attitudes," etc. Additionally, Aaker (2014, p. 23) stated that it can be even in the form of product attributes, product range, design, symbols, global presence, social programs, brand personality, among others. To illustrate, this might include, for example, associating Toyota with reliability, Patagonia with social programs, Lexus with quality, and Calvin Klein and Apple with design (Aaker, 2014, p. 23; Kotler & Keller, 2016, p. 325).

Brand associations can significantly help firms when introducing new offerings on the market. For instance, when a brand is closely linked to a specific product category, it can then make it easier for a company to expand its product lines. For instance, Starbucks, thanks to its perception as a premium coffee experience brand, has more easily expanded its business to coffee machines and ice cream. On the other hand, these strong brand associations can even cause that a brand is then too tied to a certain product class, which can make it much more difficult for other potential extensions. However, if the associations are more abstract based, then it is possible, and companies can leverage these established brand associations. Therefore, associations linked to, for example, a lifestyle, values or brand personality do not limit the company’s potential (Aaker, 2014).

Prasetia and Hidayat (2021, p. 141) assert that brand associations can positively influence customers purchase intentions. According to them, these associations can facilitate the process of making purchasing decisions, as the customers can relate to a certain brand within its attributes and given benefits. In addition, brand associations as a dimension of brand equity can thus increase customers’ willingness to pay a premium (Aaker, 2014, p. 84; Czinkota & Ronkainen, 2010, p. 331).

2.2 Generation Z

According to Buttle and Maklan (2015, p. 90), building lasting relationships with customers is particularly challenging if their specific needs and expectations are not addressed. Additionally, Matušić et al. (2024, p. 477) highlighted that a brand plays a highly significant role in the process of making a purchase decision. Therefore, this section focuses on the specific preferences and values of Generation Z, as it represents the target audience for Nescafé regarding its RTD iced coffee offering.

Generation Z is often referred to in a shorter way as Gen Z (European Parliament, 2022, p. 23; Kotabe & Helsen, 2022, p. 644). Matušić et al. (2024, p. 478) consider this generation as individuals born between 1995 and 2011. McKinsey & Company (2024) refers to them as individuals born between 1996 and 2010. The European Parliament (2020) states that these individuals were born after 1995 or 1996. Merriman and Oktem (2022) define Gen Z as individuals born between 1997 and 2007. Therefore, there is no universally accepted definition of the age range of Generation Z, but the estimated range is roughly similar, depending on the researcher or the institution.

Ernst & Young (2021) argue that this generation is full of strong passions and opinions and is not afraid to openly share them. Overall, they are not hesitant to challenge traditional beliefs and suggest new alternative standards (Ernst & Young, 2021, p. 6). Merriman and Oktem (2022, p. 1) emphasized that Generation Z represents "perhaps the most influential generational cohort in history." They stated that this generation sees the world differently than previous generations and thus accelerates changes globally. Therefore, the business assumptions that have dominated for the last decade are now being significantly challenged by this generation (Ernst & Young, 2021, p. 6). It is, therefore, highly essential for companies to understand this generation, as its individuals are transforming consumer patterns (Merriman & Oktem, 2022).

Additionally, this generation represents "the largest generation to date and will likely be the largest ever" (NielsenIQ et al., 2024, p. 6). In 2023, this generation accounted for approximately 23% of the world's population and is, therefore, expected to have a significant impact on the consumer market (Rude, 2024). It has been further stated that this generation is expected to have "the fastest growth in spending power" as it will become one of the wealthiest generations in the world (NielsenIQ et al., 2024, p. 6). Thus, those who want to profit from this generation in the future should target this generation immediately (NielsenIQ et al., 2024, p. 6).

2.2.1 Consumer behaviour, values and preferences

Matušić et al. (2024, p. 480) stated that Generation Z represents a tremendously challenging generation due to its “completely different approach to shopping than previous generations” (Matušić et al., 2024, p. 480). Amed et al. (2019, p. 45) highlighted that Gen Z individuals have instilled values that guide the brands they buy from. Therefore, if a brand does not align with those values, they will avoid it. However, if the brand aligns with those values, they will favour it (Amed et al., 2019). PricewaterhouseCoopers (2020, p. 31) suggests that it can even accumulate to the point of creating loyalty to the given brand. This thus indicates that brands should particularly focus on resonating with the values and preferences of their Generation Z target audience in order to gain their loyalty as customers.

2.2.1.1 Digital orientation

Generation Z is frequently referred to and known as the generation of so-called “digital natives” (Matušić et al., 2024, p. 479; McKinsey & Company, 2024, p. 1; Merriman & Oktem, 2022, p. 1; NielsenIQ et al., 2024, p. 9). The reason for this is that this generation is the first to experience growing up surrounded by the online world (McKinsey & Company, 2024, p. 2). Virtual reality has become part of Gen Z’s daily lives, letting them establish their virtual identity and build relationships in the digital environment (McKinsey & Company, 2024, p. 2; Merriman & Oktem, 2022, p. 2). Therefore, they even heavily connect and interact with each other and with others through various digital platforms (Merriman & Oktem, 2022). Moreover, unlike older generations within their family, they tend to be more technologically competent (European Parliament, 2022, p. 1). Therefore, it has been suggested that the most effective way is to target this generation through multiple digital channels (Rude, 2024). On the other hand, it is also worth noting that, Kotabe and Helsen (2022, p. 64) have also suggested that brands should incorporate even both online and offline approach to target this generation through multiple dimensions (Kotabe & Helsen, 2022, p. 644).

In general, Generation Z individuals are usually well-informed about brands, and if they lack information, they are able to search for it on the internet in a relatively short amount of time (Francis & Hoefel, 2018, p. 9). Since they have gained access to the Internet at a young age, they proactively search for information there, which makes their decision-making process even more pragmatic (Matušić et al., 2024, p. 479; Merriman & Oktem, 2022, p. 2). For instance, reading online reviews before the purchase itself has become a common practice used by this generation (Matušić et al., 2024, p. 479; McKinsey & Company, 2024, p. 2). Their realistic nature thus makes them to actively collect information before making the purchase (Francis & Hoefel, 2018, p. 7). Overall, members of this generation value digital technologies and engage with them frequently, making them even more associated with unique consumer behaviour and habits (Matušić et al., 2024; PricewaterhouseCoopers, 2020).

2.2.1.2 Attitudes towards sustainability and ethical practices

Matušić et al. (2024, p. 480) highlight that one of the characteristics that significantly differentiates Generation Z from previous generations is its approach to social activism. This generation not only incorporates the quality of the products itself into forming opinions about a particular company but also highly considers the impact that company has on society (Gomez et al., 2022). However, this poses a challenge for Generation Z consumers to align these green attitudes with their purchasing decisions (Rude, 2024). Therefore, Rude (2024), as an experienced insights manager working at Euromonitor International and focused primarily on consumer research, emphasizes that managing this behaviour requires careful attention to brands' strategies (Euromonitor International, 2025a; Rude, 2024).

Particularly, this generation recognizes the importance of sustainability from various angles (Gomes et al., 2023, p. 6). These consumers have high environmental awareness and are primarily environmentally conscious (Gomes et al., 2023; Matušić et al., 2024). Moreover, their attitudes towards sustainability are notably reflected in their consumer behaviours and purchasing habits (Amed et al., 2019; Deloitte, 2024). They highly focus on adjusting their consumer behaviour in order to limit their environmental footprint (Deloitte, 2024, p. 3; Matušić et al., 2024). Therefore, if a particular product or brand meets their environmental expectations, they are willing to spend more money on it (Gomes et al., 2023, p. 6; Matušić et al., 2024, p. 479). In fact, Deloitte (2024, p. 16) emphasized that 64% of Generation Z are willing to spend more money on products that are environmentally friendly.

Most of these consumers particularly expect companies to incorporate sustainability commitments into their business operations (McKinsey & Company, 2024, p. 5). Amed et al. (2019, p. 45) stated that nine out of ten Generation Z individuals are of the opinion that companies should tackle "environmental and social issues." Additionally, McKinsey & Company (2024, p. 6) stated that 73% of Gen Z individuals are inclined toward purchasing products from companies that they perceive as ethical. Deloitte (2024, p. 16) even claims that 25% of Generation Z individuals have severed or diminished their relationship with a certain business if they connected it with "unsustainable practices in its supply chain." Therefore, gaining Generation Z consumers to a particular brand requires a focus on being associated with highly ethical practices and "this action must be front and center of their brand for prospective Gen Z buyers" (Gomez et al., 2022, p. 12). Kotabe and Helsen (2022, p. 644) emphasize that Gen Z makes careful decisions about which brands they choose for their ethical consumption to fully fulfil their values.

As stated by NielsenIQ et al. (2024, p. 31), brands can build their loyalty among these Gen Z consumers by focusing on the promotion of their commitment to social responsibility and sustainability and additionally aspects like authenticity and transparency. McKinsey & Company (2024, p. 6) emphasize that Generation Z consumers prefer to purchase products from brands with a purpose, including commitments to environmentally friendly practices. However, it is essential to still note that these commitments need to be translated into actions in order to appropriately target the values and preferences of this generation (Gomez et al., 2022, p. 12). Overall, members of this generation are particularly able to recognize when a brand is only superficially supporting sustainability without actually making meaningful changes (McKinsey & Company, 2024, p. 6). Therefore, actively addressing issues such as sustainability and climate change can make a difference in resonating with the attitudes and values of this generation (Gomez et al., 2022).

2.2.1.3 Preferences regarding quality

Quality represents one of the values of Generation Z (NielsenIQ et al., 2024, p. 14). Gomez et al. (2022, p. 12) state that the quality of companies' products and services plays an important role to Generation Z buyers. Specifically, NielsenIQ et al. (2024, p. 26) emphasize that for Generation Z consumers, quality plays a crucial role when it comes to products and brands themselves. It indicates that this generation is, therefore, not solely "price-focused" (Matušić et al., 2024, p. 480).

Matušić et al. (2024, p. 480) precisely argue that Generation Z consumers "seek products of higher quality." Thus, even the brand is supposed to demonstrate a particular level of quality (Matušić et al., 2024). However, Madden (2019, p. 200) suggest that to target this generation, the quality offered should be in line with affordability. This is mainly because many individuals from Generation Z are still students (Madden, 2019, p. 200). In addition, it is important to take into account that these consumers are highly pragmatic and tend to be well-informed about brands (Francis & Hoefel, 2018, p. 9; Matušić et al., 2024, p. 479). Furthermore, it has been noted that 67% of Gen Z consumers perceive national brands and private labels as having the same degree of quality (NielsenIQ et al., 2024, p. 26).

Gen Z individuals strongly believe that brands should incorporate aspects such as the ethical practices mentioned above, along with an emphasis on quality. (Matušić et al., 2024, p. 480). Overall, Gomez et al. (2022, p. 11), assert that individuals of Generation Z assess companies beyond the quality of their product offerings, considering aspects such as the companies' ethics, practices, and overall impact.

2.2.1.4 Authenticity

According to PricewaterhouseCoopers (2024), Generation Z individuals value and prefer authenticity. NielsenIQ et al. (2024, p. 10) emphasized that authenticity represents the most important aspect that this generation values and establishing authentic relationships with brands is particularly appealing to them. They note that personal expressions play a significant role for this generation, with brands being able to target them through a personalized approach. Overall, Generation Z consumers appreciate a more personalised, relatable and engaging approach (Madden, 2019; PricewaterhouseCoopers, 2020). Therefore, this personalized targeting can even drive Generation Z's brand loyalty towards a particular brand (NielsenIQ et al., 2024, p. 31). Furthermore, PricewaterhouseCoopers (2024) argue that it can go beyond the concept of brand loyalty and thus establish relationships with Gen Z customers on a long-term basis, where customers may even become "active advocates for their products or services."

Rude (2024), in particular, highlights that even the brand's engagement should highly incorporate a component of authenticity to target Gen Z identity (Rude, 2024). Moreover, Generation Z's decision whether or not they want to engage with a given brand is a matter of relatively short time (PricewaterhouseCoopers, 2020, p. 12). PricewaterhouseCoopers (2020, p. 12) stated that the authenticity within this Generation can be targeted, for example, through the inclusion of an influencer who would be associated with the brand and would also be perceived as authentic. However, overall, it has been suggested that targeting Generation Z consumers "requires a strategic and direct approach that prioritises authenticity, engagement and social responsibility" (PricewaterhouseCoopers, 2024).

2.2.1.5 Spending habits

What is commonly associated with Generation Z individuals is that they are generally willing to spend their money (Noenickx, 2023). However, most of these individuals perceive the price as the most important indicator of whether they will make a purchase

(Jeff Desjardins, 2018). Overall, they are relatively more financially literate due to situations like the 2009 economic recession and the COVID-19 pandemic in which they lived (Merriman & Oktem, 2022, p. 19).

However, it is important to note that Generation Z individuals would rather spend money on experiences than just simply buying things that would not bring them memories (Merriman & Udiavar, 2022, p. 22). For instance, spending money on “eating out with friends,” travelling and any other outdoor activity is something that they would rather choose over simply buying material things without creating any special memory (Merriman & Udiavar, 2022, p. 22). Therefore, it is commonly connected with spending time and connecting with other people, thus building relationships with them (Merriman & Udiavar, 2022, p. 22).

NielsenIQ et al. (2024, p. 13) noted that Generation Z’s spending habits will, however, still evolve in the future. They clearly emphasized that companies should thus not only focus on Generation Z’s current habits but also predict how those habits will evolve as time goes on. Additionally, Matušić et al. (2024, p. 485) also highlight this potential evolving behaviour of Generation Z as well.

2.3 Theoretical summary and hypothesis linkage

Within the two previous sections of the theoretical background, two main concepts that play a key role in this master’s thesis were introduced. These include the Aaker’s model of brand equity, and the concept of Generation Z. Both are of particular significance for this study and are strategically used to analyse the Nescafé brand among the target audience in two selected European markets.

Based on these two concepts, a model and hypotheses of this study´s research are developed. The designed model in Figure 4 thus consists of four key dimensions of brand equity, including brand awareness, brand loyalty, perceived quality and brand associations. These dimensions were particularly highlighted within the Aaker´s brand equity model in the theoretical background. Additionally, these four dimensions are purposefully linked to the specific characteristics of Generation Z consumers, which were covered within the second section of the theoretical background. Furthermore, the characteristics of Generation Z refer mainly to their digital orientation and consumer preferences towards sustainability, authenticity and experiences.

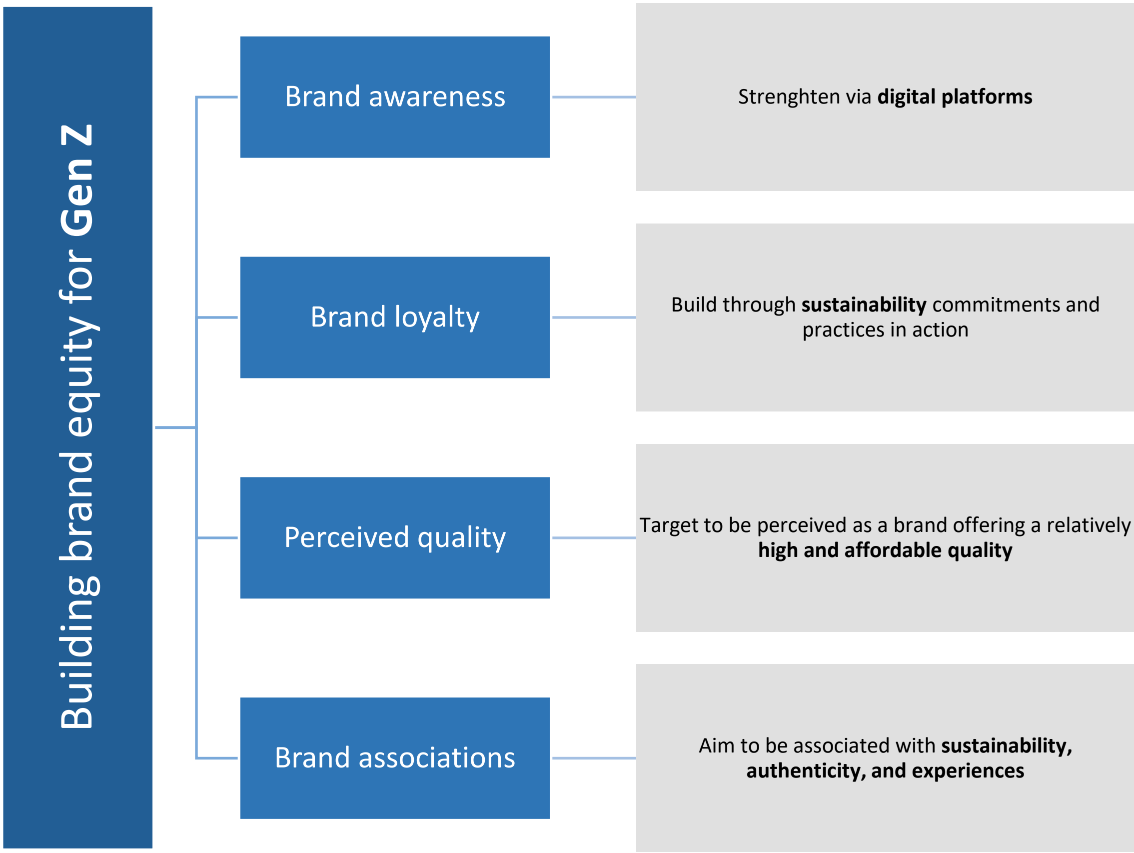

Figure 4: Established model on building brand equity for Generation Z

The model in Figure 4 is also particularly designed to form a foundation for establishing research hypotheses. The hypotheses are divided into four sections based on the individual brand equity dimensions, that were presented in the theoretical background and on the basis of which the model above is developed. Additionally, since the research question of this thesis is focused on identifying similarities and differences in how Generation Z in Czechia and Germany perceives and is aware of the Nescafé brand, null hypotheses stand for similarities as “no significant difference,” and if rejected, the alternative hypotheses demonstrate an existing “significant difference.”

The first two hypotheses are thus concentrated on the dimension of **brand awareness**. Brand awareness represents a significant component of brand equity and consists of two key elements, including spontaneous brand awareness (recall) and brand recognition (Aaker, 1991, 1996, 2014). Given that Generation Z individuals are highly digital-oriented and search for information online, which makes them even more well-informed about brands (Francis & Hoefel, 2018; Matušić et al., 2024; Merriman & Oktem, 2022; NielsenIQ et al., 2024), this could indicate that their brand awareness might be via their digital presence almost similar. Overall, these digital natives tend to be highly interconnected through the use of digital platforms (Matušić et al., 2024; Merriman & Oktem, 2022). Therefore, this could indicate that there might be no significant difference in the level of their brand awareness.

On the other hand, the difference in brand awareness might still potentially occur due to variations in media consumption and different brand exposure across these markets. Therefore, it plays a role to assess whether there is a difference in brand awareness of the Nescafé brand within the RTD iced coffee segment between Gen Z in the Czech Republic and Germany. The two alternative hypotheses on the dimension of brand awareness are, therefore, formulated as follows:

H1: There is a significant difference in spontaneous brand awareness of Nescafé within the RTD iced coffee segment between Gen Z in the Czech Republic and Germany.

H2: There is a significant difference in brand recognition of Nescafé within the RTD iced coffee segment between Gen Z in the Czech Republic and Germany.

The following dimension focuses on **perceived quality**. It was emphasized that a level of quality that is perceived as higher and at the same time affordable plays a key role for Generation Z in general (Gomez et al., 2022; Madden, 2019; Matušić et al., 2024; NielsenIQ et al., 2024). However, Generation Z´s perception of the Nescafé brand within RTD iced coffee might still differ across markets. Given that Generation Z in the Czech Republic and Germany may have potentially different perceptions when it comes to the Nescafé brand, it plays a role to additionally examine whether there are significant differences in how these consumers perceive the quality of the Nescafé brand regarding RTD iced coffee. Therefore, the alternative hypotheses on this brand equity dimension are thus formulated as follows:

H3: There is a significant difference in the level of perceived quality of Nescafé within RTD iced coffee between Gen Z in Czechia and Germany.

H4: There is a significant difference between Gen Z in Czechia and Germany regarding the perception of quality of the Nescafé brand within RTD iced coffee compared to the quality of competing brands.

Next, the third dimension focuses on **brand loyalty**. Generally, loyal customers are willing to spend more money, make repeated purchases and attract other customers by giving positive references (Aggarwal & Commuri, 2023; Castaldo, 2024; Jacoby & Kyner, 1973; Kumar, 2009). This means that it is of great importance to focus on brand loyalty, specifically within the framework of this study to compare whether there are significant differences between Gen Z in the Czech Republic and Germany. However, since there are Gen Z individuals who have never tried Nescafé RTD iced coffee before, their brand loyalty is tested based on their previous experiences with the Nescafé brand, and particularly whether they would choose this brand for RTD iced coffee over the competition based on these past experiences. On the other hand, consumers who have already consumed Nescafé RTD iced coffee are tested both in terms of their preference for the brand over the competition, as well as in terms of their willingness to recommend it. The alternative hypotheses on brand loyalty are, therefore, formulated as follows:

H5: There is a significant difference between Gen Z consumers in Czechia and Germany in terms of their tendency to choose Nescafé RTD iced coffee over other brands, based on their previous experience with the Nescafé brand. (applied only to those who have never consumed Nescafé RTD iced coffee)

H6: There is a significant difference between Gen Z in Czechia and Germany regarding their tendency to choose the Nescafé brand for RTD iced coffee over competing brands. (applied only to those who have already consumed Nescafé RTD iced coffee)

H7: There is a significant difference between Gen Z in Czechia and Germany regarding their inclination to recommend the Nescafé brand for RTD iced coffee to a friend or family member. (applied only to those who have already consumed Nescafé RTD iced coffee)

The last dimension of brand equity within this study focuses on **brand associations**. It has been emphasized in the theoretical background that Generation Z consumers particularly value sustainability, authenticity and experiences. Therefore, these were strategically selected to represent the three attributes, that companies should focus on to be associated with to target this demographic within RTD iced coffee segment. Given that potential differences may occur between Gen Z consumers in Czechia and Germany, this research tests whether the Nescafé brand is associated with these attributes to a similar extent within both markets. The alternative hypotheses on this dimension of brand associations are thus formulated as follows:

H8: There is a significant difference between Gen Z in Czechia and Germany regarding the extent to which they associate the Nescafé brand with <u>sustainable practices</u> within the RTD iced coffee.

H9: There is a significant difference between Gen Z in Czechia and Germany regarding the extent to which they associate the Nescafé brand with <u>authenticity</u> within the RTD iced coffee.

H10: There is a significant difference between Gen Z in Czechia and Germany regarding the extent to which they associate the Nescafé brand with <u>experiences</u> within the RTD iced coffee.

3 Research methodology

3.1 Research approach and philosophy

The research approach of this study is deductive and is based on the philosophy of positivism. Saunders et al. (2023, pp. 145–147) emphasize that positivism focuses exclusively on pure data and facts that can be measured, avoiding any influence from human interpretation or personal bias. A positivist researcher is therefore "detached, neutral and independent," aiming to ensure objectivity throughout the research process (Saunders et al., 2023, p. 146). Furthermore, as noted by Saunders et al. (2023, p. 146), positivism primarily integrates quantitative data and large sample sizes. This is the case of this thesis, where the focus is on the quantitative method for data collection and analysis.

In terms of the philosophy of positivism, the research approach is typically deductive (Saunders et al., 2023, p. 146). The deductive approach operates on the principle of "generalizing from the general to the specific," where data collection is employed to evaluate hypotheses derived from existing theory (Saunders et al., 2023, p. 155). This thesis is overall firmly grounded in the already existing theory of brand equity, and hypotheses are subsequently developed from this basis.

3.2 Research strategy and methodological choice

A research strategy serves as the methodological link between the underlying philosophy on which the study is based and the chosen methods for gathering and analysing data (Saunders et al., 2023, p. 191). The chosen research strategy in this thesis is a survey. According to Saunders et al. (2023), the survey strategy is commonly associated with the deductive approach. They assert that this strategy significantly increases the degree of control in the research process and enables the collection of data that can be analysed quantitatively. Moreover, surveys also allow the use of probability sampling to obtain statistically representative results for the target population without collecting data from the entire population (Saunders et al., 2023).

Within this study, the survey is conducted via an online questionnaire. Saunders et al. (2023, p. 185) emphasize that a questionnaire represents one of the commonly used instruments for conducting surveys (Saunders et al., 2023, p. 185). A survey questionnaire consists of a set of predefined questions aimed at obtaining information from respondents regarding their opinions, attitudes, knowledge, and behaviours, among others (Ranganathan & Caduff, 2023, p. 152). Moreover, questionnaires can be administered electronically, which significantly facilitates data collection in terms of costs and geographical constraints (Brace, 2018, p. 26).

Furthermore, since this study focuses on comparative analysis conducted in IBM SPSS Statistics, it integrates a quantitative research design. Moreover, it adopts a quantitative mono method as a methodological choice. Overall, a study that incorporates this mono method generally uses a “single data collection technique such as a questionnaire, and corresponding quantitative analytical procedure” (Saunders et al., 2023, p. 184).

3.3 Data collection and sample

3.3.1 Data collection technique

Data were collected for this research using the single data collection technique through a self-administered online questionnaire. These self-administered questionnaires are to be completed by the respondents themselves without any support or intervention from the researcher, and thus facilitate to collect data from large number of respondents (Brace, 2018, p. 26; Ranganathan & Caduff, 2023, p. 153). Moreover, the questionnaire was designed in English, creating equal conditions for both markets that were selected for comparison.

The questionnaire was developed through Google Forms, and the data was thus collected via this platform. Generation Z, which represents the target consumer group of this thesis, is highly digital-oriented, spending much of their time online (Matušić et al., 2024, p. 17; McKinsey & Company, 2024, p. 2). Therefore, the questionnaire was distributed electronically through digital channels to reach this target audience of digital-oriented individuals. Moreover, this approach also allows data collection abroad without the necessity of international physical mobility of the researcher to the Czech Republic and Germany. The selected social media platforms for the questionnaire distribution included Instagram, Facebook and LinkedIn. In addition, German respondents were also approached directly through social networks and asked to distribute the questionnaire among people they know.

The data were collected between March 16 and March 19, 2025. The survey was thus conducted over only four days to minimize the risk of any brand significantly altering its market position or customer targeting strategy, which would affect the results. Overall, this technique suggests that the collected data should not be significantly influenced by the aspect of time and, therefore, external conditions on the market.

3.3.2 Sample

The Czech market has been chosen for data collection and analysis because of several favourable factors. According to Euromonitor International (2024b), the Czech RTD coffee market "is well-positioned for continued growth," driven by factors such as the inclination of Czech consumers towards convenience and on-the-go beverages. Many of these consumers encounter busy lifestyles, therefore, the convenience of on-the-go beverages aligns with their needs (Euromonitor International, 2024). Another contributing factor is that "Czechia has a strong coffee culture, with coffee consumption being an integral part of the daily routine for many Czech consumers" (Statista, 2024a). High demand for coffee among Czech consumers therefore also creates a favourable environment for the RTD coffee expansion in this country (Statista, 2024a).

The second market selected for comparative analysis is Germany. Compared to Czechia, which makes up 1.9% of the EU´s total Gross Domestic Product, Germany accounts for 24.2% (European Union, 2025b, 2025a). This Western European economy has experienced substantial growth in its RTD coffee market over the past few years (European Union, 2025b; Statista, 2025). It was found that between 2016 and 2021, the RTD iced coffee market grew in Germany at a compound annual growth rate of 7.30% (GlobalData UK Ltd., 2023). Furthermore, coffee consumption per capita in Germany is high, and aspects such as on-the-go and convenience drive the demand for RTD coffee. Overall, German consumers often face busy lifestyles, leading them to prefer products that can be consumed in a quick and easy way (Statista, 2025). Therefore, this indicates that the German market has favourable conditions for the continued growth of the RTD coffee segment.

Within this study, it is considered impossible to collect data from the entire population, which includes members of Generation Z living in Czechia and Germany. In the research context, the term population refers to “the full set of cases or elements from which a sample is taken” (Saunders et al., 2023, p. 289). Therefore, this study incorporates the sampling, specifically probability sampling. Overall, Saunders et al. (2023, pp. 294-297) argue that it is possible to answer a research question from sample data, and further emphasize that as the sample size increases, the probability of population bias decreases.

Moreover, this study only surveys Generation Z individuals aged 18 and older through a questionnaire, as this age group is legally considered adults, allowing the author to adhere to ethical standards and regulations regarding informed consent in research. More precisely, the individuals who are part of this study are 18 to 30 years old. This was specifically one of the filter questions asked in the questionnaire. The second was that the respondents have never worked in marketing for a coffee brand to avoid any influence or bias in the perception and recall of the Nescafé brand.

3.4 Data analysis

This thesis incorporates primary data analysis, with a focus on examining the quantitative data that were gathered through the survey questionnaire. The questionnaire primarily involved close-ended questions based on the Likert scale for the research purpose to test pre-defined hypotheses. Open-ended questions were used only for brand recall and respondent age.

Hypotheses were tested using the statistical software IBM SPSS Statistics. The significance level has been set at a level of 0.05 and the findings are interpreted at a 95% confidence level. Saunders et. al. (2023, p. 621) explain that the significance level of 0.05 or lower suggests that the data collected are not, in the way they are, by chance, meaning that, minimally at 95%, there is a dependence between the variables involved. In addition, they assert that the confidence level of 95% is commonly used and define it in the following way: "if your sample was selected 100 times, at least 95 of these samples would be certain to represent the characteristics of the target population."

Since this is a comparative analysis of two countries, the data were analysed and compared based on the country the respondents live in, which includes only Czechia and Germany (independent variable). Given this, Chi-Squared test and Mann-Whitney U test were primarily used in this research. The Chi-Square test was used for testing the first two hypotheses. Saunders et al. (2023, p. 621) emphasize that the Chi-Squared test is used to identify whether there is a statistically significant dependence between two categorical variables, or whether the variables are independent of each other. Since the data collected for the first two hypotheses were derived from Generation Z´s brand recall and brand recognition, coding was used to categorise these respondents' answers for subsequent analysis. More precisely, if a respondent recalled or recognised the Nescafé brand, it was coded as '1', otherwise, it was coded as '0'. This means that the variables are in the form of coded responses (0/1) and country groups (Czechia/Germany), which indicates 2×2 contingency table. Amy Nowacki (2017, p. 23) argues that for this kind of table, not a single expected count should reach a value lower than 5. If this were to occur, it would be a violation of the assumption and Fisher´s exact test should be used instead (Nowacki, 2017). Therefore, the potential violation of expected counts was always consistently checked in IBM SPSS Statistics.

Given that the database further consisted of ordinal variables that were constructed on a Likert scale basis, non-parametric statistical tests were conducted for hypotheses 3 to 10. Saunders et al. (2023, p. 614) particularly emphasize that the non-parametric statistical tests should be performed for categorical data types, such as ordinal data. In the questionnaire, respondents were typically given 5 Likert scale-based options to choose from, ranging from, for example, 'not at all likely,' coded as '1', to 'extremely likely,' coded as '5'. This thus highlights the use of ordinal dependent variables that were sorted into five categories.

Overall, the non-parametric Independent-Samples Mann-Whitney U Test was chosen for hypothesis testing. This statistical test is commonly used to “determine the probability (likelihood) that the values of an ordinal data variable for two independent samples or groups are different” (Saunders et al., 2023, p. 824). This test is highly useful because it can compare distributions without the assumption of normality being met (Saunders et al., 2023). Not to mention that normality was always consistently checked in IBM SPSS Statistics using the Shapiro-Wilk test and it showed that, within hypotheses 3 to 10, the data, in fact, did not follow the normal distribution.

Within the conducted Mann-Whitney U Test tests, this study particularly focuses on the p-value (probability) and mean ranks as indicators for testing hypotheses and establishing comparisons. If the provided p-value (probability) is 0.05 or lower, it indicates that null-hypothesis is being rejected in this study, meaning that the alternative hypothesis that there is a difference between Generation Z living in Czechia and Germany is supported. Additionally, Mean Rank (MR) values were incorporated for the comparative analysis to identify the relative differences between the two countries. The mean rank values indicate which group tends to have higher values (Laerd Statistics, 2025a). In terms of the Mann-Whitney U test, it is thus highly useful to incorporate the comparative analysis of mean rank values (Laerd Statistics, 2025a). Additionally, the mode was often incorporated as well, as it refers to “the value that occurs most frequently” (Saunders et al., 2023, p. 609). Not to mention, bar charts are also very frequently used to visually display the comparison between the responses of Generation Z from these two countries. However, for instance, a standard deviation is not used in this study to access the results, as it is inadequate to use it for analysis of data that are not normally distributed (Laerd Statistics, 2025a). In addition, a median was also not incorporated, as it would require the same shape of distribution (Laerd Statistics, 2025b).

3.5 Reliability and validity

The reliability and validity of the data collected depends significantly on the way the questions are formulated in the questionnaire, the organization of the questionnaire itself, and the degree of rigour of the pilot testing (Saunders et al., 2023, p. 520). In this study, pilot testing of the questionnaire was conducted on three Generation Z individuals. The purpose was to identify potential misinterpretations of the included questions and answers, reveal whether all relevant answers are included, and to evaluate the estimated time frame for the questionnaire completion among others. According to Saunders et al. (2023, p. 548), pilot testing enables the researcher to collect suggestions for improvement and overall increase the quality of the questionnaire design for data collection and recording.

In the framework of reliability, potential threats include errors and biases on the part of both participants and researchers (Saunders et al., 2023, p. 216). Reliability specifically refers to “the extent a data collection procedure yields consistent findings” (Saunders et al., 2023, p. 215). In this study, the potential threat to reliability is that the survey questionnaire is designed in English, which is not the national language in either the Czech Republic or Germany. As a result, this may cause possible language misinterpretations and misunderstandings. Therefore, few words were in the questionnaire translated into Czech and German and listed in brackets, when the author and pilot testing participants assessed it was probably needed. Additionally, since this study uses online self-administered questionnaires, it allows respondents to have more convenience in answering the questions, such as from home, and to have as much time as they need to answer the questions. Therefore, the form of the questionnaire reduces the threat of potential participant errors within the possible language barrier. Furthermore, given that Eurostat (2024) revealed that English represents “by far the most widely-spoken foreign language in the EU,” with younger generations having overall higher proficiency in foreign languages, this supports the reliability of the conducted data collection in English.

On the other hand, given that only one researcher is involved in this study, it may, according to Saunders et al. (2023, p. 215), affect the internal reliability. They particularly emphasize that multiple researchers can overall ensure higher consistency. However, this thesis is based on the philosophy of positivism and this philosophy focuses on the avoidance to any influence from human interpretation or personal bias, concentrating on pure data and facts only (Saunders et al., 2023, pp. 145–147).

Turning to validity, it refers to “the extent these procedures measure accurately what they are intended to measure, and the research findings are about what they profess to be about” (Saunders et al., 2023, p. 215). Given that this research is based on the existing theory of brand equity and uses predefined hypotheses by the researcher, it positively influences the validity of this study. Specifically, the questionnaire was designed to ensure content validity, addressing key brand equity dimensions for subsequent comparisons between the two countries. Additionally, the validity of the data analysis is conducted using IBM SPSS Statistics, which facilitated the application of statistical tests for collected categorical and ordinal data. Furthermore, statistical assumptions, such as normality and expected counts, were consistently checked, ensuring that the data analysis was conducted using appropriate methods. However, external validity is partially limited by the sample size and its representativeness, as the sample may not fully capture the diversity of the target population.

4 NESCAFÉ

Nescafé represents one of the coffee sub-brands of Nestlé. Others include Nespresso, Nescafé Dolce Gusto, Starbucks Coffee At Home, and Blue Bottle Coffee (Nestlé Global, 2025). The brand name Nescafé was created by combining the first three letters of Nestlé and the rest was intended to be associated with coffee (Nescafé Global, 2025c). Swant (2020), as a writer and editor for Forbes, highlighted that the Nescafé brand is positioned 33rd in Forbes' ranking of "The 2020 World's Most Valuable Brands." In addition, Nescafé ranked second within the "Beverages" category on this list, with the Coca-Cola brand taking the top spot (Swant, 2020). Furthermore, Rees (2019), as the industry manager for food and nutrition for Euromonitor International, revealed that Nescafé ranked third in the *Top 100 Megabrands* list for FMCG brands worldwide, with the top two spots taken by Coca-Cola and Pepsi (Rees, 2019). Moreover, Nescafé ranked first as the leading hot drinks brand in the world (Rees, 2019). These rankings thus highlight Nescafé's strong established position on the market, demonstrating its ability to compete with global brands.

4.1.1 The evolution of Nescafé

In 1929, Nestlé was given the responsibility of addressing the coffee surplus in Brazil, which resulted from the Wall Street Crash. A breakthrough came after nine years when scientist Max Morgenthaler developed an innovative method for producing instant coffee. This discovery led to the introduction of the Nescafé brand in 1938 (Nestlé Global, 2017). The market launch took place in Switzerland, where instant coffee rapidly gained popularity, and within two months, the phenomenon extended to the rest of the world. By 1940, Nescafé had expanded to more than 30 countries, reaching every continent.

A key milestone in the brand´s history took place with the outbreak of World War II when NESCAFÉ instant coffee was included in the rations of American soldiers. Moreover, after the war, in 1945, it was distributed in packages to populations affected by the war in

Europe and Japan, which significantly contributed to a rapid increase in demand for Nescafé (Nescafé CZ, 2025a).

As the product's popularity grew, competition emerged, leading to further Nescafé innovations. In the 1950s, a method was discovered to extract the protective carbohydrates directly from coffee beans, which improved the taste and aroma of the product. In the 1960s, Nescafé began with advanced manufacturing processes, changed packaging from cans to glass jars and launched NESCAFÉ® GOLD. In 1966, the recipe was changed to granules, and a year later, the iconic red Nescafé mug was introduced (Nescafé CZ, 2025a).

4.1.2 Nescafé's RDT iced coffee offering in the Czech Republic and Germany

The NESCAFÉ's product portfolio consists of two types of coffee formats, including instant coffee and iced coffee, designed to meet different customer preferences (Nescafé CZ, 2025h). Specifically, David Rennie, the head of Nestlé coffee brands, highlighted during the Nestlé Capital Markets Day 2024 the current preferences of modern consumers towards cold coffee and various flavours (Nestlé Global, 2024).

RTD coffee beverages refer to "packaged ready-to-drink coffee, consumed either hot or cold, made using a base of either brewed coffee or coffee extract." (Euromonitor International, 2024). RTD coffee products do not require any further preparation and can, therefore, be consumed immediately after opening, offering convenience and portability, making it ideal for on-the-go consumption (F. S. Wibowo & Hurdawaty, 2023, p. 11). Euromonitor International (2024) emphasizes that RTD coffee products do not include beverages that are intended for consumption by children or beverages where coffee is just one of several available flavours in the product line.

During the Nestlé Capital Markets Day 2024, David Rennie stated, "We are expanding cold coffee across formats, geographies, and consumer groups" (Nestlé Global, 2024). He pointed out that this entire cold coffee segment is expected to grow at a double-digit rate every year over the next three to five years. Furthermore, he particularly emphasized that Nestlé is approaching young consumers in this way because they tend to drink cold coffee more frequently as their first coffee beverage. Therefore, even the brand identity is intended to primarily target younger age consumer groups, who generally indicate a preference for milky and sweet coffee flavours, as well as chilled and on-the-go beverage formats (Nescafé DE, 2023). Nestlé Global (2024) conducted an analysis which particularly revealed that cold coffee accounts for 33% of coffee consumption occasions among the youth, compared to an average of 17% across all age groups. To capitalize on this trend, David Rennie revealed that Nestlé's RTD iced coffee product line is specifically aimed at consumers aged 16 to 30 (Nestlé Global, 2024).

On the Czech and German market, the Nescafé brand offers RTD iced coffee beverages in its product portfolio (Nescafé CZ, 2025c; Nescafé DE, 2025). Not to mention, that it even currently represents one of the primary campaigns on the Czech market (Nescafé CZ, 2025g). Each RDT iced coffee is packaged in a 250 ml can and is recommended to be served chilled, although it can be stored at room temperature (Nescafé CZ, 2025f). In the Czech Republic, the Nescafé RTD coffee product line consists of products of four different flavours, including Latte, Latte Caramel, Cappuccino and Americano (Nescafé CZ, 2025c). In Germany, the Nescafé RTD coffee product line consists of also four flavours, including Latte, Latte Caramel, Cappuccino and Expresso Macchiato (Nescafé DE, 2025).

4.1.3 Commitments and efforts towards sustainability

NESCAFÉ began its journey towards sustainability in the early 2000s, aiming to become one of the most eco-friendly coffee brands in the world. This commitment led to a milestone in 2005 with the introduction of the Fairtrade certified NESCAFÉ® Partners Blend. Nowadays, NESCAFÉ is focused on its 2030 goals, striving to ensure that all of its coffee is sustainably sourced and that half of it is cultivated using regenerative farming practices (Nescafé CZ, 2025a).

NESCAFÉ® is committed to creating more environmentally friendly packaging, including jars, sachets, cartons and capsules in alignment with its goal of ensuring that all packaging is either entirely recyclable or reusable (Nescafé Global, 2025b). Instant coffee jars can be reused multiple times since glass is infinitely recyclable, and the plastic lids from the jars can also be recycled, but separately (Nescafé Global, 2025a). Additionally, Nescafé has recently introduced mono-structure sachets for its 2in1 and 3in1 coffee products, utilizing a single type of plastic to enhance recyclability (Nescafé CZ, 2025d; Nescafé Global, 2025a). Despite this transition, the coffee is supposed to maintain its original freshness and flavour, only now in packaging that is more sustainable (Nescafé Global, 2025a).

The RTD iced coffee cans are made from aluminium, which can be 100% recycled (Nescafé CZ, 2025f; Nescafé DE, 2023). In Germany, RTD iced coffees are available in a recyclable aluminium can with an additional legally required deposit, which is intended to encourage the return of bottles and cans on the path to promoting recycling and thus a commitment to sustainability (European Commission, 2021; Nescafé DE, 2023). Additionally, for the Czech and German market, the coffee in these Nescafé RTD beverages is 100% responsibly sourced, which is in accordance with the “Nescafé Plan” sustainability program (Nescafé CZ, 2025e; Nescafé DE, 2023).

In addition, Nescafé utilizes used coffee grounds for the generation of an actual energy, a practice that is implemented in the majority of its factories. This initiative not only contributes to waste reduction but also significantly decreases greenhouse gas emissions. The used coffee grounds from the preparation of Nescafé products are repurposed and transformed into biofuel to power steam boilers. Through this circular initiative, Nescafé prevented the release of 245,000 tons of CO2 equivalent from fossil sources into the atmosphere in the year 2021. Furthermore, this method also helps in reducing the volume of waste that would otherwise end up in landfills and require transport by heavy trucks (Nescafé CZ, 2025b).

5 Findings

This chapter presents the research findings of this study. In the following subsections, the sample is presented, and four brand equity dimensions are consistently analysed in detail. Furthermore, each dimension is examined individually and in relation to the corresponding hypotheses. The examined dimensions, in order, include brand awareness, perceived quality, brand loyalty and brand associations.

5.1 Presentation and description of the sample

Data were collected via a questionnaire from 129 respondents. Initially, two filter questions were asked. The first was aimed at finding out if the respondents were between 18 and 30 years old, and the second was to ensure that they had never worked in marketing for a coffee brand. In the end, five respondents (3.9%) did not meet the criteria for the first filter question, and four respondents (3.2%) did not meet the criteria for the second filter question. This means that a total of 120 respondents met the criteria, forming the final sample of this research. Overall, the initial goal was to obtain responses from 50 Gen Z individuals from each country, which was successfully achieved. Responses and thus the sample data were gathered from 66 Czech and 54 German Gen Z individuals over a 4-day period, specifically between March 16 and March 19, 2025.

Table 1 summarizes not only the frequency but also the share of these respondents in the total number, from which it can be concluded that Czech respondents slightly outweigh German ones. However, in this study, respondents are grouped, analysed and compared by the country in which they live. Therefore, each respondent´s brand perceptions and attitudes towards the brand represent a valuable contribution to this research, which means that the share in the sample does not have to be equal.

Table 1: Distribution of respondents between countries (2025)

COUNTRY	FREQUENCY	SHARE (IN %)
Czech Republic	66	55.0
Germany	54	45.0
Total	120	100.0

In terms of gender distribution, Figure 5 illustrates the representation of respondents across the two nations. In both countries, females have a greater representation in the sample than males. Moreover, this trend is even more pronounced among respondents living in the Czech Republic.

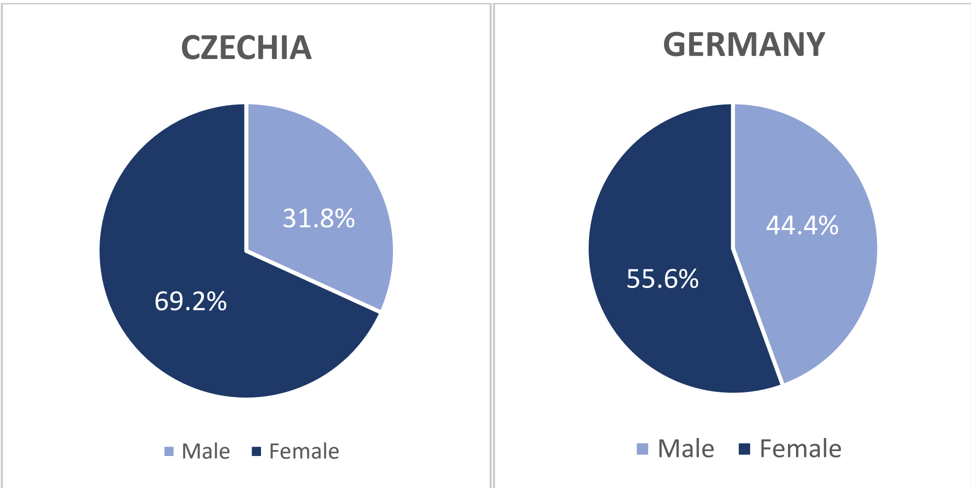

Figure 5: Gender distribution among respondents (2025)

Furthermore, Generation Z respondents are covered in the age range of 18 to 30 years, as shown in Figure 6. In both countries, the most represented age group was 24–26 years old. This age category is particularly significant in the sample of Czech respondents. Next, the second most represented group consisted of respondents aged 21–23, accounting for approximately 26% to 28% of each country´s sample. This category is followed by respondents aged 27 to 30, making it the third most represented age group. Finally, the least represented age category consists of the youngest members of Generation Z within this research, aged 18 to 20.

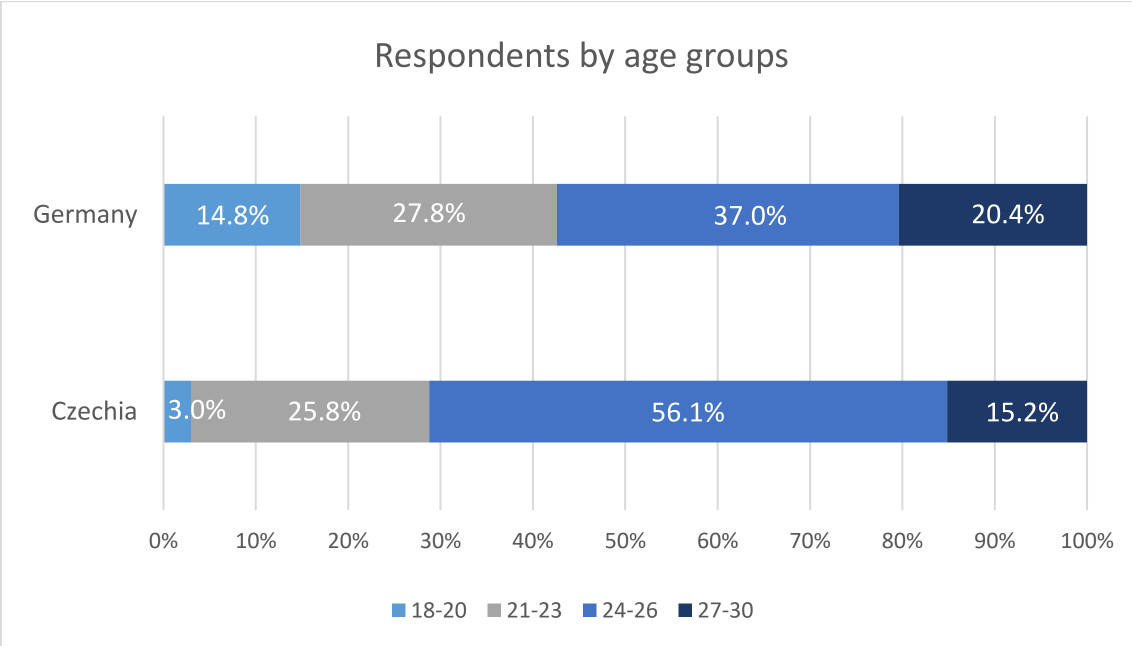

Figure 6: Distribution of respondents across age groups (2025)

Moving forward, the status of Gen Z respondents is shown in Figure 7. Almost 70% of respondents living in Czechia are students. However, it is important to note that respondents could select multiple statuses, as they could be both students and employed simultaneously. Altogether, 51.1% of respondents living in Czechia who marked 'student' as their status also reported being employed. Therefore, 34.8% of respondents living in Czechia are students and employed at the same time. Furthermore, 8.9% of respondents living in Czechia with a status of student reported being self-employed. In addition, 4.5% of the total number of respondents living in Czechia reported being simultaneously a student, employed and self-employed. Therefore, respondents from Czechia are mostly students who also work during their studies.

In the framework of respondents living in Germany, a similar trend can be observed in Figure 7, with a significant portion of them (57.4%) being a student. Moreover, 29.0% of these students further reported being employed/self-employed. However, only 9.3% of the respondents reported being a student and employed at the same time. In total, 29.6% of respondents living in Germany were solely employed, whereas in Czechia, this figure was 22.7%, representing a difference of 6.9 percentage points.

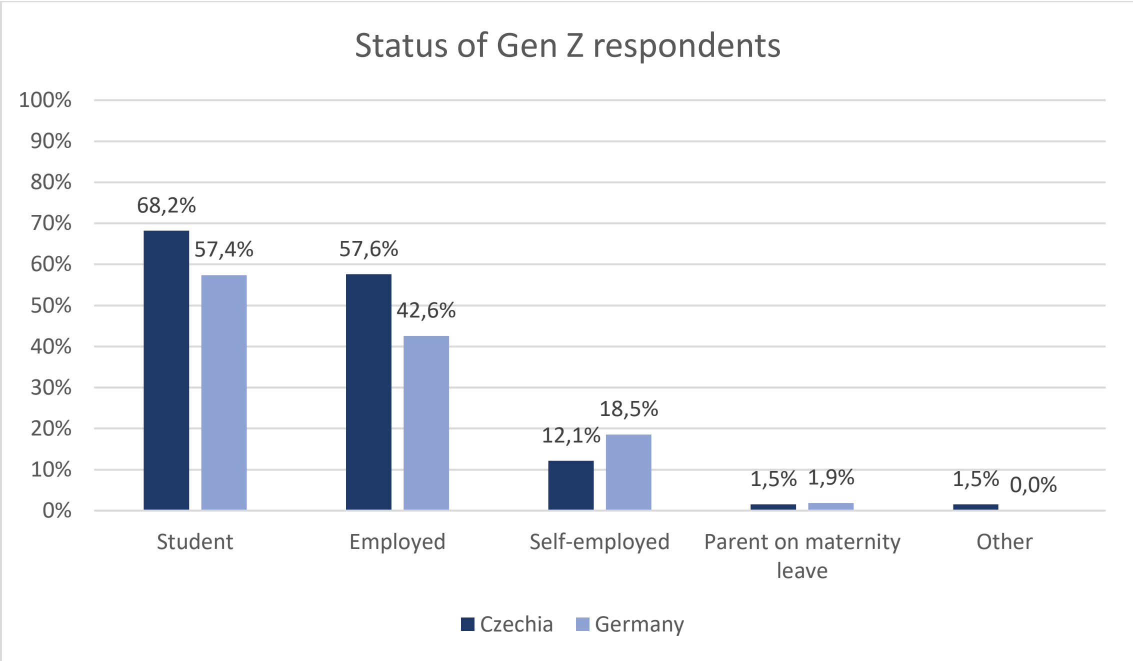

Figure 7: Status of respondents (2025)

In summary, this shows a high representation of students in both countries within the sample of this study, however, in Germany, Gen Z students are relatively less employed/self-employed than these respondents in the Czech Republic. On the other hand, the sample of respondents living in Germany includes more Gen Z individuals who are purely working compared to the Czech Republic. Overall, as suggested in the theoretical background, the characteristic of Gen Z being commonly students is even indeed reflected in the sample of this research.

Next, the highest achieved level of education of respondents is shown in Figure 8. In this pie chart that reflects respondents living in the Czech Republic, the majority reported having a bachelor's degree as their highest level of education. Additionally, almost 23% reported to have secondary education, and 18,2% to hold a master's degree. These three educational levels thus represent the largest portion of the sample respondents living in the Czech Republic.

In contrast, among respondents living in Germany, the largest share is those with secondary education. This level of education exceeds the bachelor´s degree by 7.4 percentage points, which thus ranks in second place. Bachelor´s education is then closely followed by master´s education by 1.8 percentage points. Therefore, this means that within the sample of respondents from both countries, secondary education, bachelor´s, and master´s degrees are the most common highest levels of education, however, the shares differ, particularly for bachelor´s education.

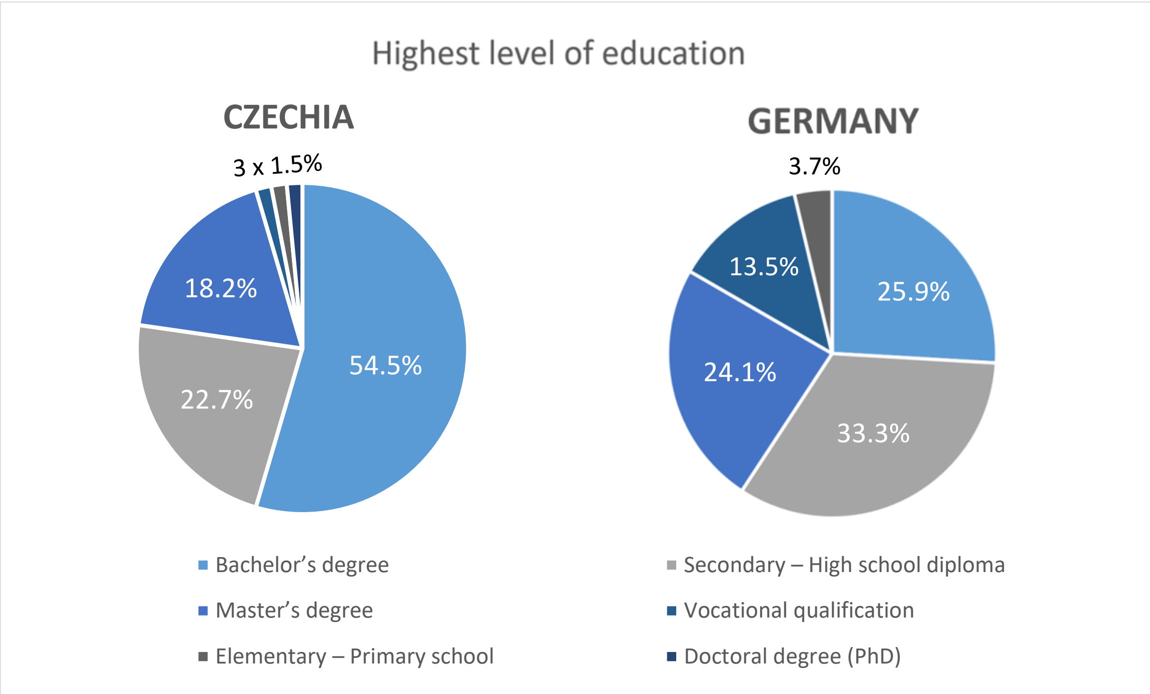

Figure 8: Highest level of education of respondents (2025)

5.2 Similarities and differences in brand equity dimensions

Given that this study is focused on identifying similarities and differences in how Gen Z individuals in Czechia and Germany perceive and are aware of the Nescafé brand, this section presents findings on individual brand equity dimensions. Primarily, hypotheses are in the following four subsections examined and tested.

5.2.1 Brand awareness

Brand awareness was tested through two methods, including spontaneous brand awareness (brand recall) and brand recognition. Specifically, the Pearson Chi-Square test and Fisher's Exact test were conducted to test hypotheses on this brand equity dimension. Brand awareness was thus assessed by whether participants recalled or recognized the Nescafé brand. The first hypothesis in this study was formulated as follows:

H1: There is a significant difference in spontaneous brand awareness of Nescafé within the RTD iced coffee segment between Gen Z in Czechia and Germany.

The results from the Pearson Chi-Square test for this first hypothesis, which examined whether there is a significant difference in spontaneous brand awareness (brand recall) of Nescafé regarding RTD iced coffee between Gen Z in Czechia and Germany, revealed that the difference is not statistically significant ($\chi^2 = 1.845$, df = 1, p = 0.174). However, it is important to note that one of the key assumptions of the Chi-Square test, that the expected counts are greater than 5, has been violated. Therefore, although, the test yielded a p-value of 0.174, which is higher than the significance level of 0.05, the expected count for respondents living in Germany who recalled the brand is only 4.05. In addition, the expected count for respondents living in Czechia who recalled the brand is also only 4.95. Given this issue, Fisher´s Exact test was used instead to test the first hypothesis, providing a two-sided p-value of 0.296. Since this value is also above 0.05, we fail to reject the null hypothesis, indicating no statistically significant difference in spontaneous brand awareness of Nescafé between these two countries. This thus means that there is no significant difference in brand recall of Nescafé within the RTD iced coffee segment between Gen Z consumers living in the Czech Republic and Germany. The alternative hypothesis H1, that there is a significant difference, is therefore **rejected** overall.

As shown in Figure 9, the great majority of respondents from both countries did not spontaneously recall the Nescafé brand within the RTD iced coffee category. However, respondents living in Germany recalled the brand by 6.6 percentage points more than those living in the Czech Republic. On the other hand, for 4.5% of Generation Z living in the Czech Republic, Nescafé was a top-of-mind brand within the RTD iced coffee category. In Germany, Nescafé did not represent a top-of-mind brand within the RTD iced coffee segment for any Gen Z respondent.

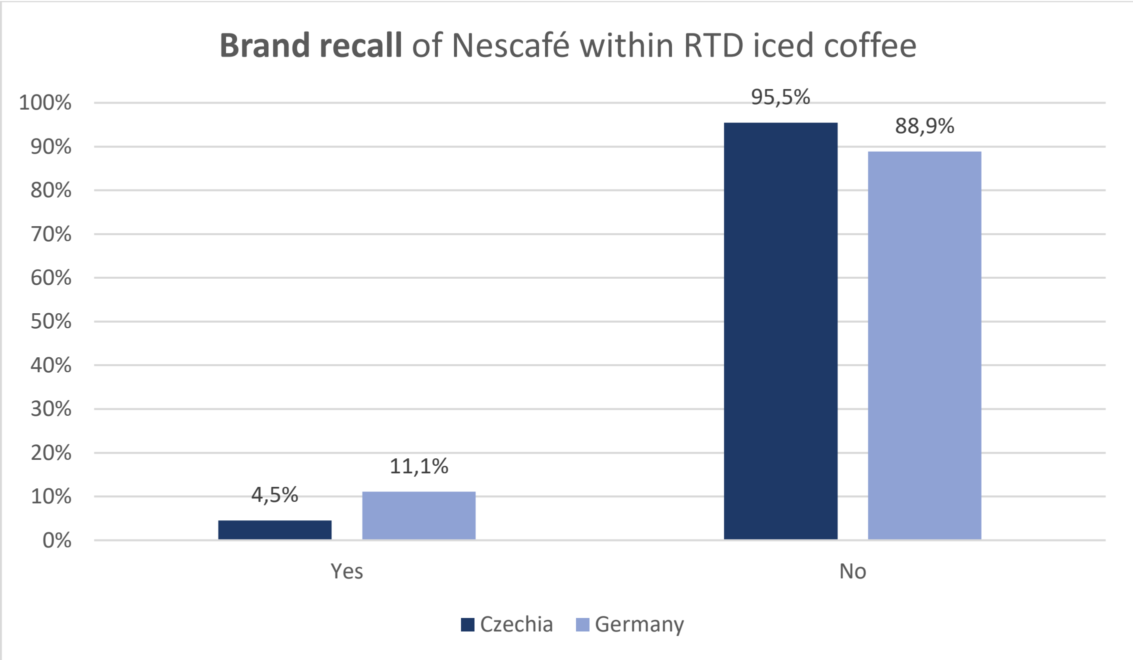

Figure 9: Brand recall of Nescafé within RTD iced coffee (2025)

In Czechia and Germany, the most frequently occurring top-of-mind brand within RTD iced coffee was Starbucks. However, given that Starbucks and Nestlé have established a “global coffee alliance” since 2018, within RTD iced coffee, Starbucks does not represent a competitor to Nescafé in the traditional sense (Nestlé Global, 2024; Starbucks, 2023). In addition, Gen Z respondents frequently recalled "Eiskaffee," however, they wrote most of the times the word "Eiskaffee" instead of the official brand name Hochwald, which they probably meant. This indicates high awareness of the product, but not of the brand itself. Furthermore, 16.67% of respondents living in the Czech Republic could not recall any brand, while in Germany this share of unawareness of any brand was even 20.37%. This thus creates a potential opportunity to get the Nescafé brand in the minds of these consumers first and thus get ahead of the competing brands before they do so.

H2: There is a significant difference in brand recognition of Nescafé within the RTD iced coffee segment between Gen Z in Czechia and Germany.

As for the second hypothesis, which investigates whether there is a significant difference in brand recognition of Nescafé within the RTD iced coffee segment between Gen Z in the Czech Republic and Germany, the assumption of expected counts is met. Therefore, based on the Pearson Chi-Square test, we again fail to reject the null hypothesis, as the p-value is higher than the significance level of 5% ($\chi^2 = 0.404$, df = 1, $p = 0.525$). Therefore, the alternative hypothesis H1, that there is a significant difference, is in terms of brand recognition **rejected** as well. Additionally, even Fisher's Exact test further supports this finding with a p-value of 0.534, which is higher than 0.05.

Overall, Figure 10 illustrates that brand recognition of Nescafé within RTD iced coffee differs between Gen Z individuals living in Czechia and in Germany by only 5.1 percentage points. Specifically, Gen Z individuals living in the Czech Republic recognise the Nescafé brand more than Gen Z individuals living in Germany. However, the is still a considerable share of Gen Z in Czechia (22.7%) and Germany (27.8%) who reported to be unaware of the brand by not recognising the Nescafé brand from the list of brands provided.

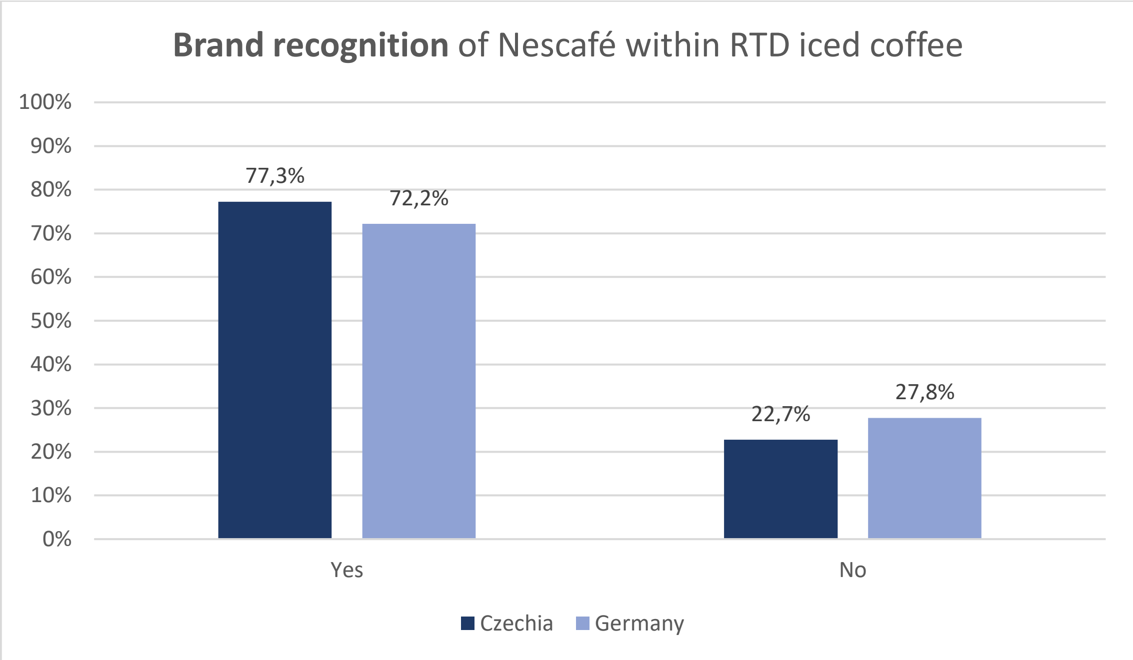

Figure 10: Brand recognition of Nescafé within RTD iced coffee (2025)

To conclude this brand equity dimension, both brand recall and recognition results suggest that awareness of the Nescafé brand in the RTD iced coffee segment does not significantly differ between Gen Z consumers in the Czech Republic and Germany. These consumers show significantly low brand recall of the Nescafé brand, while they have quite high brand recognition of the Nescafé brand.

According to Aaker (1996), if the brand is well-recognised but suffers from low brand recall among consumers, it is in the so-called “Graveyard” area. This is thus reflected in Figure 11. The overall brand awareness of the Nescafé brand among Gen Z in Czechia and Germany is positioned considerably low on the Recall axis, while high on the Recognition axis. However, Germany has been positioned slightly higher on the Recall axis, while Czechia takes a slightly higher position on the Recognition axis. This thus overall indicates that customers are aware of the Nescafé brand, but the brand does not immediately come to Gen Z´s minds, which, according to Aaker (1996), significantly affects their purchasing decisions.

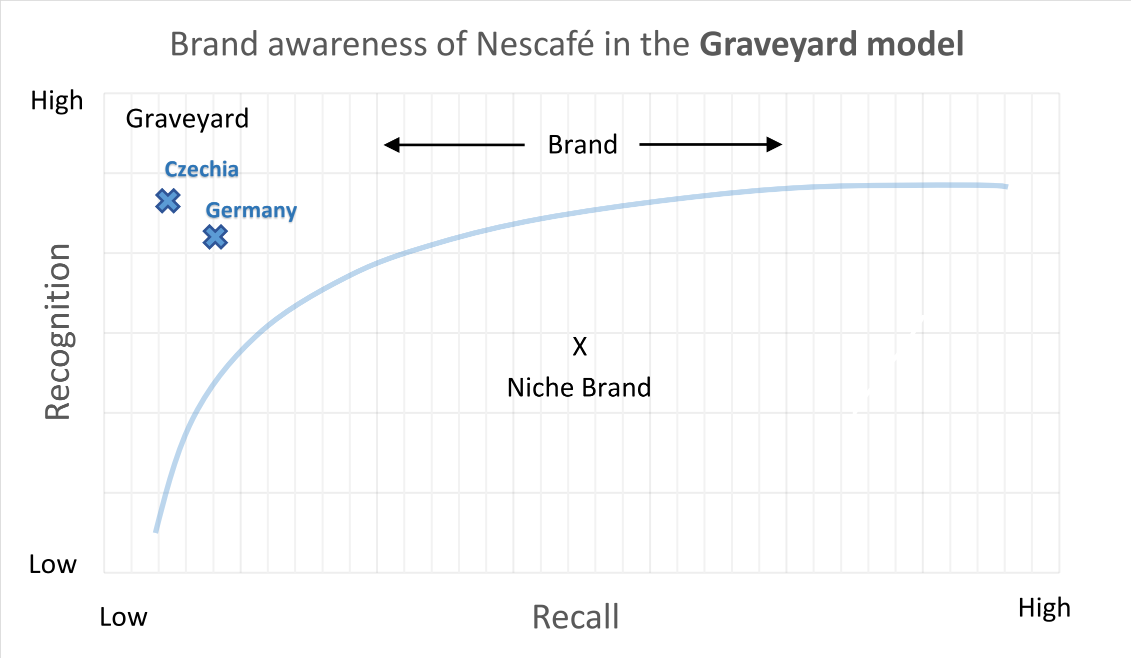

Figure 11: Germany vs. Czech Republic: Brand recognition and recall in RTD Iced Coffee via the Graveyard Model (2025)

5.2.2 Perceived quality

In the framework of perceived quality, respondents were given five options to choose from. These were deliberately arranged based on a Likert scale from 1 to 5. The options provided for selection included: *very low quality (1), low quality (2), average quality (3), high quality (4) and very high quality (5).* Overall, comparative analysis of this brand equity dimension consists of two research hypotheses, involving H3 and H4.

H3: There is a significant difference in the level of perceived quality of Nescafé within RTD iced coffee between Gen Z in Czechia and Germany.

The non-parametric Independent-Samples Mann-Whitney U Test was used to test the third hypothesis. The test yielded a p-value below 0.001, which is less than the 0.05 threshold. Therefore, at a significance level of 5%, the null hypothesis is being rejected, which means that the alternative hypothesis H3 is **supported**. The results of this conducted test thus revealed that there is a significant difference in the level of perceived quality of Nescafé within the RTD iced coffee category between Gen Z consumers in the Czech Republic and Germany. Furthermore, the mean rank results demonstrate that within RTD iced coffee, Gen Z in Germany, with a mean rank of 71.60, perceives the level of quality of Nescafé as notably higher than Gen Z in Czechia. The mean rank of Czechia reached only 51.42.

In addition, it is quite remarkable, that most Gen Z individuals of both countries stated in the questionnaire that they perceive the quality of the Nescafé brand within RTD iced coffee as “average” (see Figure 12). This response thus represents the mode for both countries. Positive perceptions such as “high quality” and “very high quality” were recorded relatively more frequently from Gen Z consumers living in Germany than in the Czech Republic. Not to mention that none of the respondents living in Germany perceived the brand´s quality in this segment as “very low.”

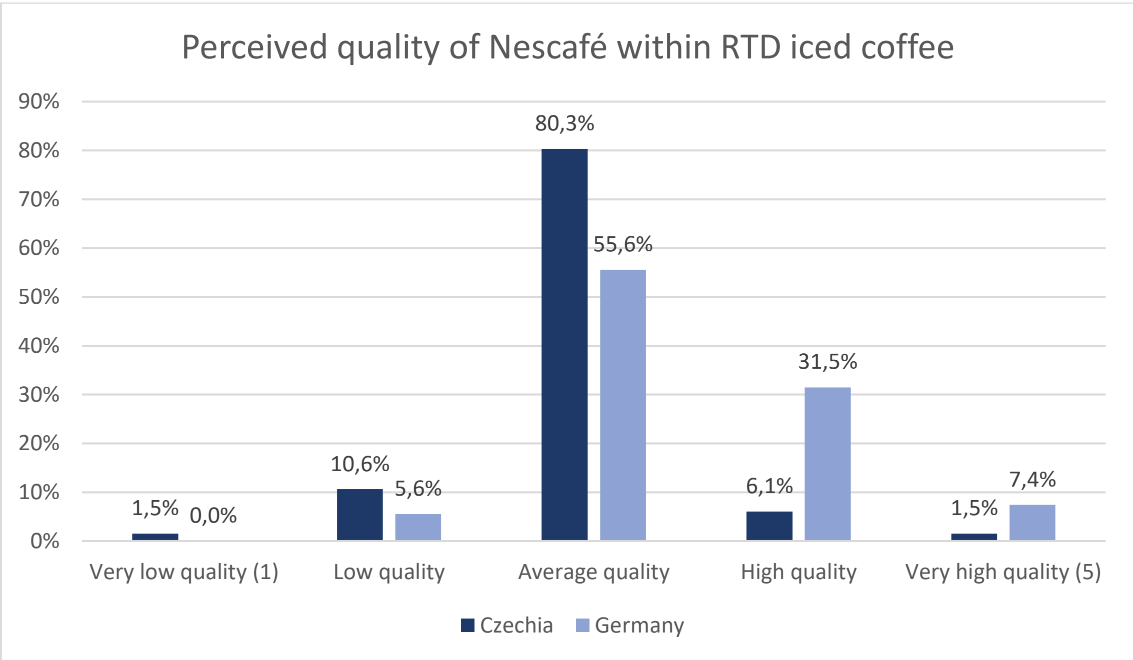

Figure 12: Perceived quality of Nescafé within RTD iced coffee (2025)

H4: There is a significant difference between Gen Z in Czechia and Germany regarding the perception of quality of the Nescafé brand within RTD iced coffee compared to the quality of competing brands.

The other hypothesis on the brand equity dimension of perceived quality focuses on the aspect of comparing Nescafé with other brands within the RTD iced coffee segment. The results of the conducted non-parametric Independent-Samples Mann-Whitney U Test overall led to the rejection of the null hypothesis, as the p-value accounted for a figure of 0.01 which is below the 0.05 significance level. This means that it can be concluded that at a 95% confidence level, there is a significant difference in the level of perceived quality of the Nescafé brand between Gen Z consumers in the Czech Republic and Germany regarding their perception of Nescafé´s quality within RTD iced coffee compared to the quality of competing brands. The alternative hypothesis H4 is therefore **supported**. Additionally, given that the mean rank of Germany (MR = 68.57) is above the mean rank of Czechia (MR = 53.89), it indicates that Gen Z living in Germany perceives the quality of the Nescafé brand compared to other brands within RTD iced coffee segment as generally higher than Gen Z living in Czechia.

The visual demonstration of respondents´ answers is reflected in Figure 13. In this case, it can be similarly noted that positive perceptions ("high quality" and "very high quality") were recorded relatively more frequently from Gen Z consumers living in Germany than in the Czech Republic. Additionally, any respondent living in Germany did not perceive the quality of Nescafé as "very low." Not to mention that the "average" perceived quality is also the most frequently answered option in this case, representing the mode for both countries.

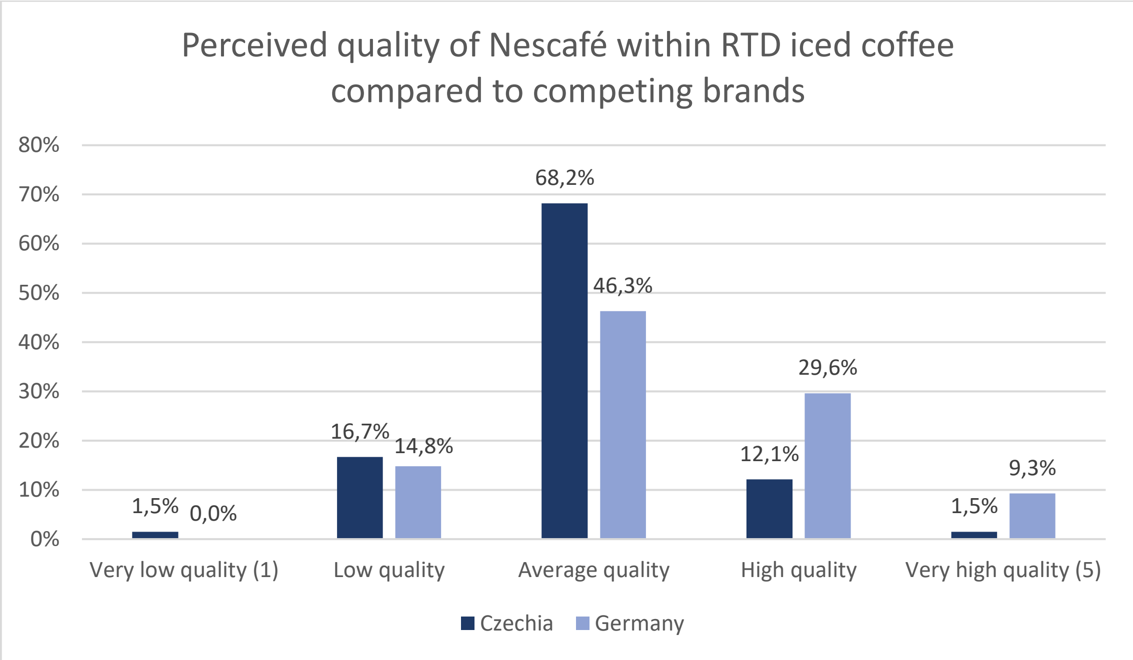

Figure 13: Perceived quality of Nescafé within RTD iced coffee compared to competing brands (2025)

This can be even followed by Gen Z´s perception of the quality of the Nescafé brand within coffee products in general (see Figure 14). Therefore, in both tested dimensions of perceived quality within RTD iced coffee and further the case of coffee products in general, Gen Z consumers living in the Czech Republic report relatively more frequently "very low" and "low" quality perceptions of the Nescafé brand than Gen Z individuals living in Germany. Additionally, relatively more Gen Z consumers living in the Czech Republic tend to associate the Nescafé brand with perceptions of average quality than those living in Germany. In all three cases, more than 50% of respondents in the Czech Republic perceived the quality as average, both within coffee products in general, within RTD iced coffee in general and when compared to competition. This highlights that Generation Z generally does not perceive the quality of Nescafé as high but rather average.

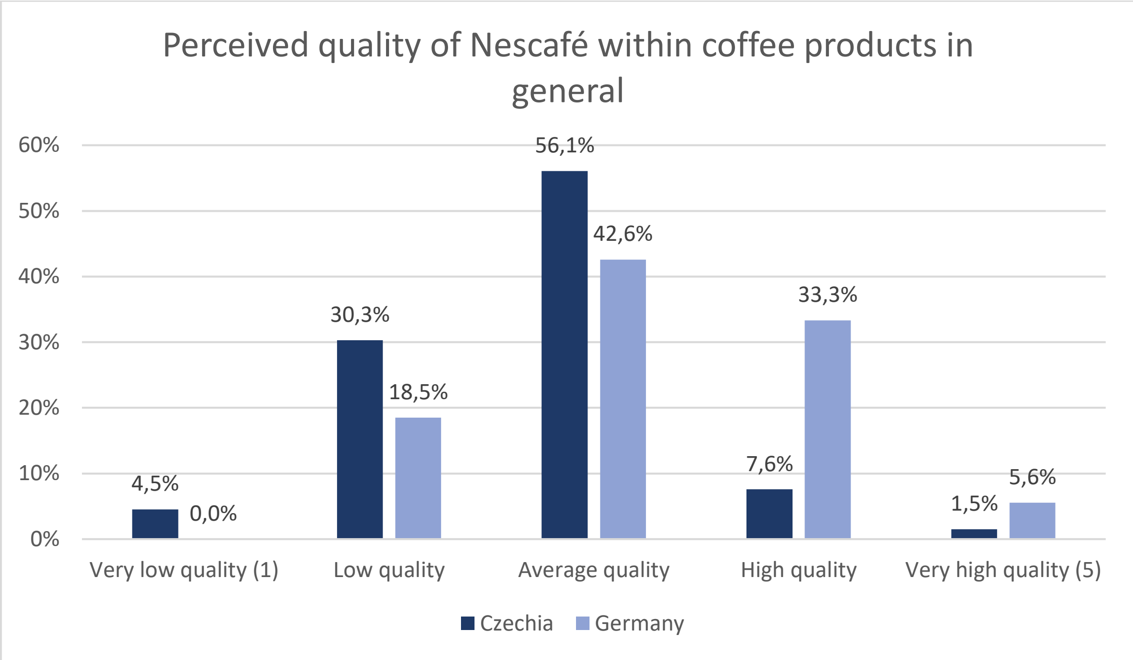

Figure 14: Perceived quality of Nescafé within coffee products in general (2025)

5.2.3 Brand loyalty

As shown in Figure 15, it is important to emphasize that within the research sample of respondents, only 24.2% of those living in the Czech Republic and 22.2% of those living in Germany stated in the survey that they had tried the Nescafé RTD iced coffee. However, although the majority of respondents from both countries had no previous experience with the Nescafé RTD iced coffee, they still have a certain level of awareness and different perceptions of the brand. Therefore, understanding how Generation Z perceives the Nescafé brand within the RTD iced coffee category might provide valuable insights for potential brand management adjustments to even strategically attract this target audience in this segment.

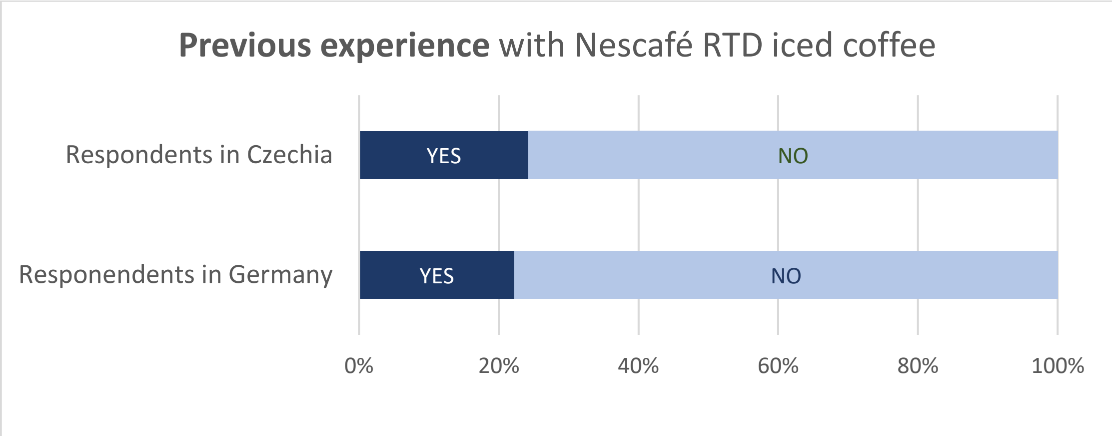

Figure 15: Previous experience of respondents with Nescafé RTD iced coffee (2025)

H5: There is a significant difference between Gen Z consumers in Czechia and Germany in terms of their tendency to choose Nescafé RTD iced coffee over other brands, based on their previous experience with the Nescafé brand.

The questionnaire included a Likert scale question asking whether the respondent would choose the Nescafé brand over other brands based on their previous experience with the brand. This question was only asked of Gen Z individuals who had never consumed Nescafé RTD iced coffee before. Additionally, respondents who answered that they had no previous experience with the Nescafé brand were excluded from the analysis in IBM SPSS Statistics as well. The aim was overall to determine and test Gen Z´s brand loyalty even in terms of the product offering that they might had never tried from this brand before. In this case, the p-value delivered from the non-parametric Independent-Samples Mann-Whitney U Test was 0.656 ($p > 0.05$), which leads to failing to reject the null hypothesis. The results of this non-parametric test thus revealed that there is no significant difference between Gen Z consumers in Czechia and Germany in terms of their tendency to choose Nescafé RTD iced coffee over other brands, based on their previous experience with the Nescafé brand. Overall, this implies that the alternative hypothesis H5 is being **rejected.** Therefore, given that the difference between Gen Z consumers in Czechia and Germany is not significant in this case, it represents another similarity of Gen Z individuals between these two countries. Overall, even the mean ranks indicate that the responses were not very different. Gen Z living in Czechia, with a mean rank of 34.50, demonstrates only a slightly higher tendency than Gen Z living in Germany, which recorded a mean rank of 32.50. This is further visually supported by Figure 16, where it even shows that Gen Z individuals split their responses into four options only, with “slightly likely” and “moderately likely” being the most selected ones.

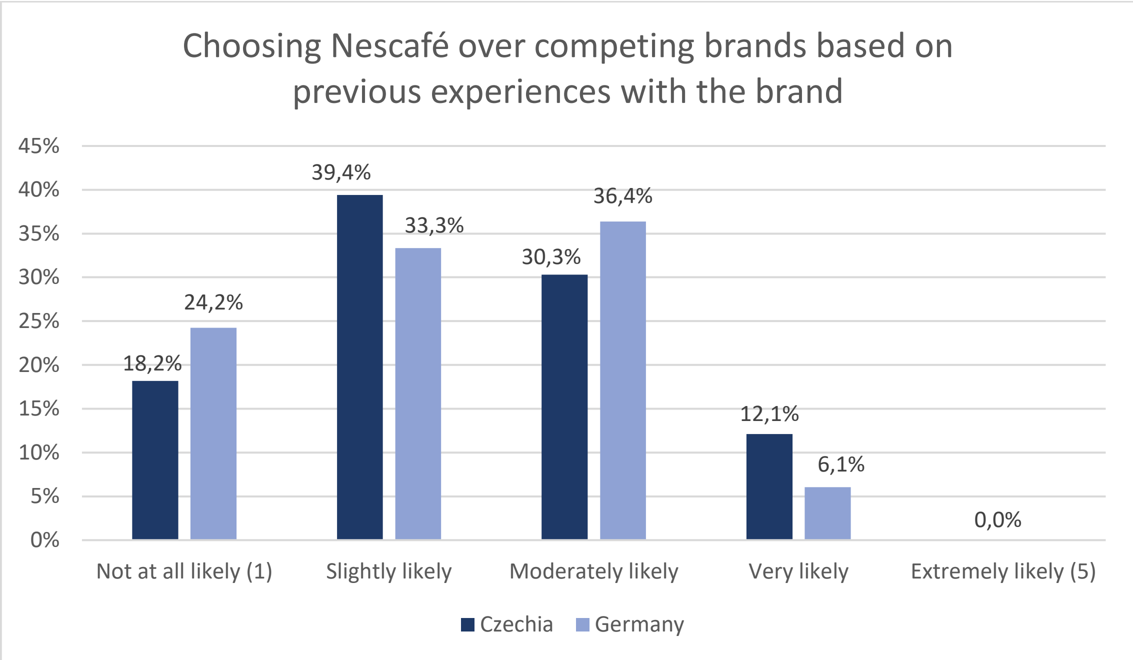

Figure 16: Choosing Nescafé over competing brands based on previous experiences (2025)

However, based on the data collected, 45.5% of Gen Z consumers living in Czechia stated to have no brand preferences regarding RTD iced coffee (see Figure 17). This figure is 2.0 times higher than the share of Gen Z consumers living in Germany who reported the same. Therefore, given that 75.8% of Gen Z individuals reported to have never consumed Nescafé RTD ice coffee, and almost the majority had no brand preferences, this indicates that targeting this demographic living in Czechia might be a highly challenging task to undertake. Additionally, according to this study´s research, approximately 22–23% of Gen Z individual living either in the Czech Republic or Germany had never bought RTD iced coffee.

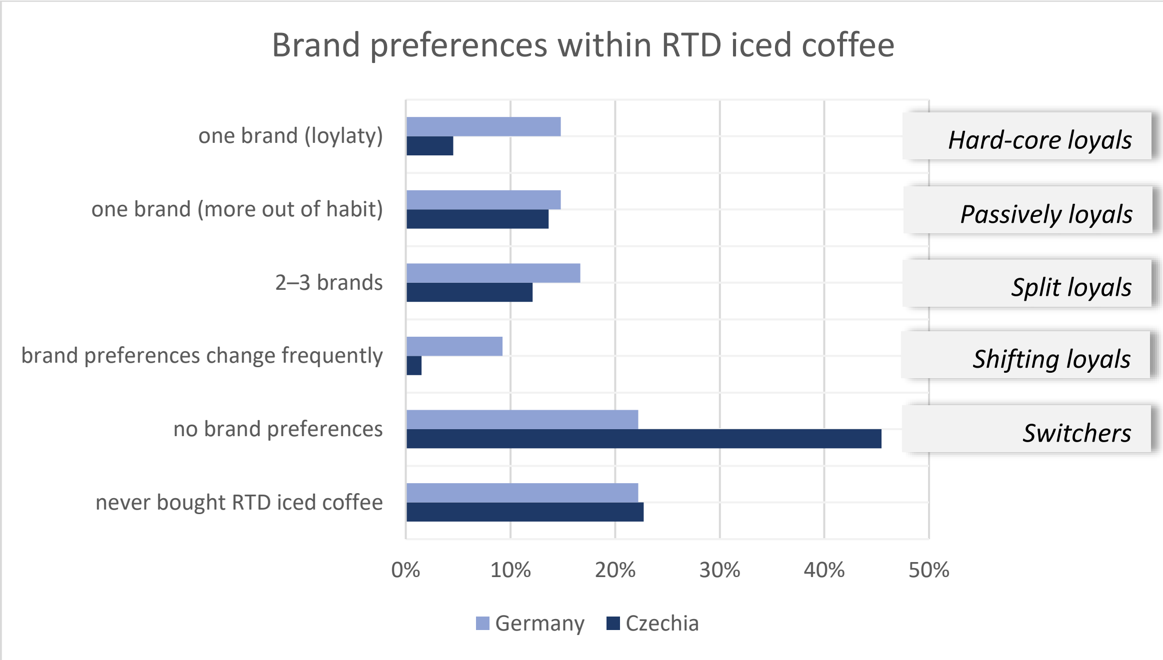

Figure 17: Brand preferences of respondents within RTD iced coffee (2025)

The remaining larger portion of Gen Z consumers who have ever tried RTD iced coffee, and specifically the Nescafé one, thus represent the focus of the next hypothesis (H6).

H6: There is a significant difference between Gen Z in Czechia and Germany regarding their tendency to choose the Nescafé brand for RTD iced coffee over competing brands.

For the sixth hypothesis, the non-parametric Independent-Samples Mann-Whitney U Test was performed as well. The results of this test suggested retaining the null hypothesis and **rejecting** the alternative hypothesis H6, as the p-value reached 0.698 which is higher than the 0.05 significance level. It has been thus concluded on the 95% confidence level that there is no significant difference between Gen Z in Czechia and Germany regarding their tendency to choose the Nescafé brand for RTD iced coffee over competing brands. This is even kind of visually observable in Figure 18. The mean rank results therefore indicate that Gen Z individuals in Germany (MR = 15.25) demonstrate just slightly higher tendency than Gen Z individuals in Czechia (MR = 13.94). For instance, the

8.3 percentage point difference in the “strongly agree” respondents´ answers particularly contributed to this (see Figure 18).

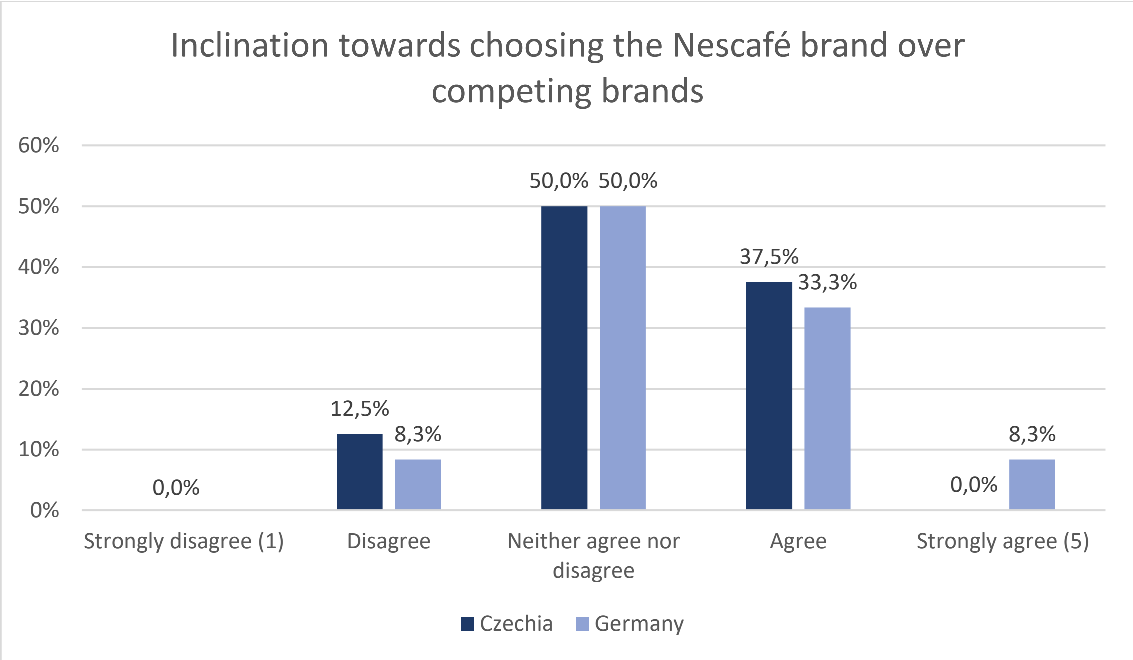

Figure 18: Inclination towards choosing the Nescafé brand over competing brands (2025)

Furthermore, only those who had ever consumed Nescafé RTD iced coffee were also targeted within the next hypothesis.

H7: There is a significant difference between Gen Z in Czechia and Germany regarding their inclination to recommend the Nescafé brand for RTD iced coffee to a friend or family member.

For the seventh hypothesis, the non-parametric Independent-Samples Mann-Whitney U Test generated a p-value of 0.020, which is below the 0.05 significance level. This implies rejecting the null hypothesis that there is no significant difference and **supporting** the alternative hypothesis H7. Therefore, based on these test´s results, it has been concluded that there is a significant difference between Gen Z in Czechia and Germany regarding their inclination to recommend the Nescafé brand for RTD iced coffee to someone close, such as a friend or a family member.

The mean rank results overall indicate that Gen Z individuals living in Germany are more inclined to recommend the Nescafé brand to a friend or a family member in terms of RTD iced coffee, compared to Gen Z individuals living in the Czech Republic. This is because the mean rank for Germany (MR = 18.67) is higher than the mean rank for Czechia (MR = 11.38), demonstrating their stronger inclination. However, it is essential to take into consideration that responses are not spread across all options, but concentrated on just two, as shown in Figure 19. Here it presented that it is rather the Generation Z in Germany that is willing to recommend the Nescafé brand to a friend or a family member.

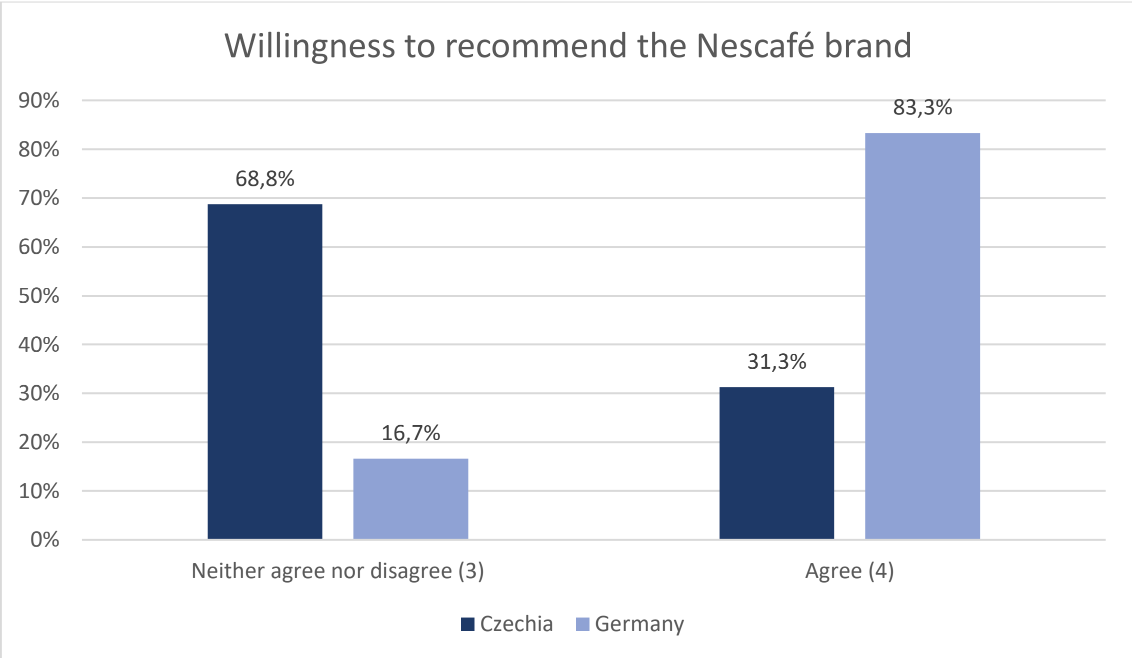

Figure 19: Willingness to recommend the Nescafé brand within RTD iced coffee (2025)

5.2.4 Brand associations

Sustainability, authenticity and experiences – these are the aspects that play an important role for Gen Z consumers (Matušić et al., 2024; Merriman & Udiavar, 2022; NielsenIQ et al., 2024; PricewaterhouseCoopers, 2024). The distributed questionnaire thus contained four Likert scale questions regarding each of these factors to collect data for the following research findings. Since, based on the Shapiro-Wilk test, the data were not normally distributed within any of these factors across the independent country groups ($p < 0.05$), the non-parametric Independent-Samples Mann-Whitney U Test is performed in all four cases. As previously stated within the hypothesis linkage section, the first alternative hypothesis on this brand equity dimension has been formulated as follows:

H8: There is a significant difference between Gen Z in Czechia and Germany regarding the extent to which they associate the Nescafé brand with <u>sustainable practices</u> within the RTD iced coffee.

According to the results of the non-parametric Independent-Samples Mann-Whitney U Test, the null hypothesis is rejected and the alternative hypothesis H10 **supported**. Given that the p-value accounts for 0.001, which is below the 0.05 significance level, the results indicate that there is a significant difference between Gen Z living in Czechia and Germany. Therefore, it can be concluded on the 95% confidence level that there is a significant difference between Gen Z living in the Czech Republic and Germany regarding the extent to which they associate the Nescafé brand with sustainable practices within the RTD iced coffee category. Additionally, the mean rank for Czechia (MR = 69.14) is notably higher than for Germany (MR = 49.94). This thus suggests that Gen Z individuals living in Czechia associate the Nescafé brand with sustainable practices more strongly than Gen Z living in Germany. However, as illustrated in Figure 20, this association is not that strong overall.

Figure 20 particularly shows that 61.1% of Gen Z individuals living in Germany did not associate the Nescafé brand with sustainable practices at all. This is 27.8 percentage points more than their counterparts living in the Czech Republic, who stated the same. Additionally, no one from Germany reported that they would associate the Nescafé brand “extremely” or “very much” with sustainability when it comes to RTD iced coffee.

Furthermore, associations such as “not at all,” “slightly” and “moderately” were most frequently chosen by the respondents.

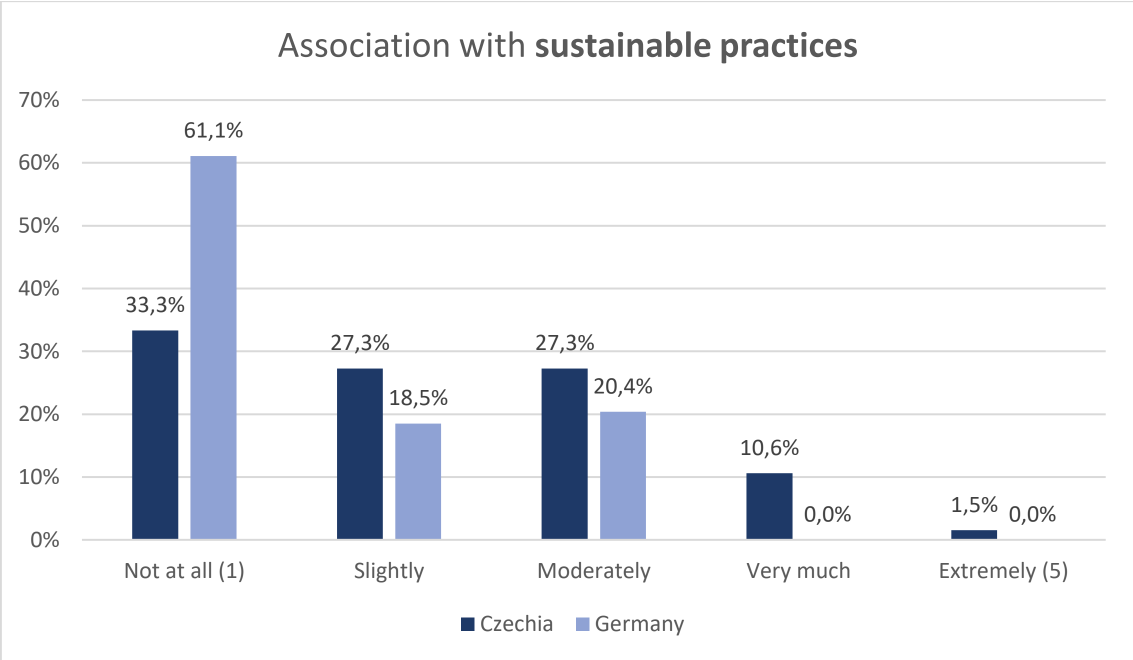

Figure 20: Brand association of Nescafé with sustainable practices (2025)

The next hypothesis focuses on the aspect of authenticity. The hypothesis is formulated as follows:

H9: There is a significant difference between Gen Z in Czechia and Germany regarding the extent to which they associate the Nescafé brand with ***authenticity*** *within the RTD iced coffee.*

The Independent-Samples Mann-Whitney U Test was performed for the hypothesis 8 and concludes the following findings. The results of this conducted non-parametric test suggested retaining the null hypotheses, as the p-value accounts for 0.843, which is above the 0.05 significance level. It can be thus stated at the 95% confidence level that there is no significant difference between Gen Z in Czechia and Germany regarding the extent to which they associate the Nescafé brand within the RTD iced coffee with authenticity. Alternative hypothesis H9 is thus being **rejected**. Additionally, the mean rank of Czechia accounted for a figure of 61.05, which is only marginally higher (by 1.22 points) than the Germany´s mean rank of 59.83. Therefore, this even further supports the similarity concluded.

This is overall particularly illustrated in Figure 21, where the individual strengths of association differ by a maximum of 4.71 percentage points ("slightly") and a minimum of 0.34 percentage points ("very much"). On average, it is by 3.10 percentage points. Furthermore, the moderate association represents the mode for both countries.

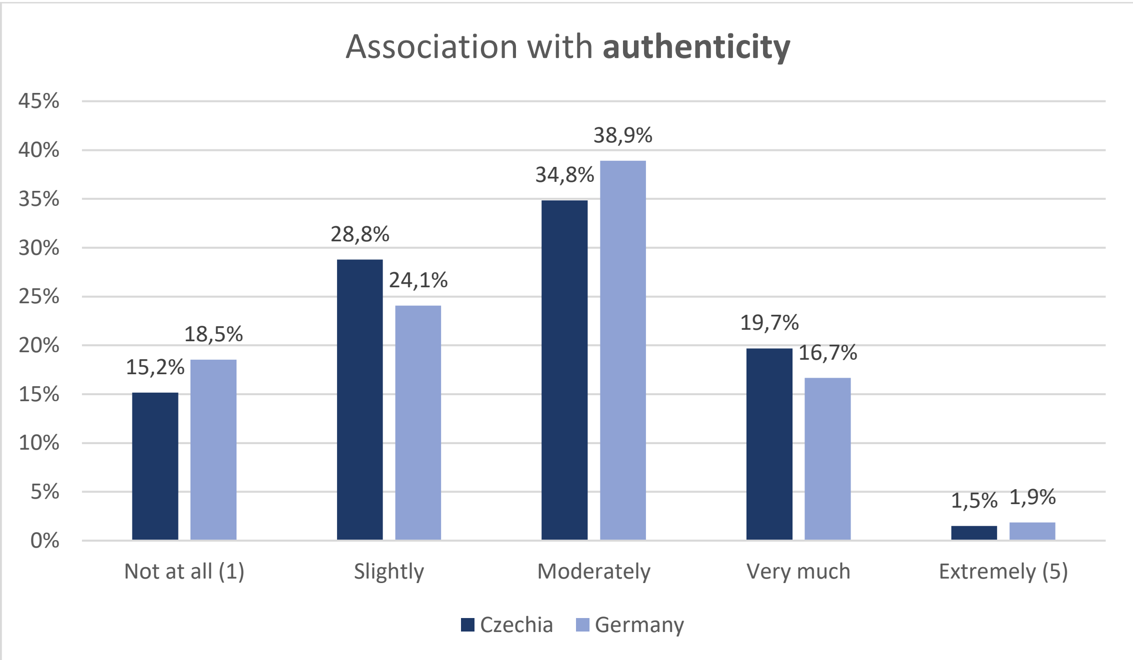

Figure 21: Brand association of Nescafé with authenticity (2025)

H10: There is a significant difference between Gen Z in Czechia and Germany regarding the extent to which they associate the Nescafé brand with <u>experiences</u> within the RTD iced coffee.

Independent-Samples Mann-Whitney U Test suggested rejecting the null hypothesis, as the p-value was lower than the significance level of 0.05. The p-value accounted for

0.023, which is by 0.027 below the 0.05 significance level. This implies the **support** of alternative hypothesis H12 that there is a significant difference between Gen Z in Czechia and Germany regarding the extent to which they associate the Nescafé brand within the RTD iced coffee with experiences. In addition, the mean rank for Czechia (MR = 54.17) is below the Germany´s one (MR = 68.24), which suggests that Gen Z individuals living in Germany associate the Nescafé brand with experience more strongly than Gen Z living in the Czech Republic.

Additionally, in the framework of experiences, one of the biggest differences reflected in Figure 22 is that Gen Z living in the Czech Republic were more likely to report that they "extremely" associate the Nescafé brand with it than their counterparts living in Germany. However, the similarity between these two countries is that Gen Z individuals in both countries most frequently stated that they "moderately" associate the Nescafé brand with experiences in terms of RTD iced coffee.

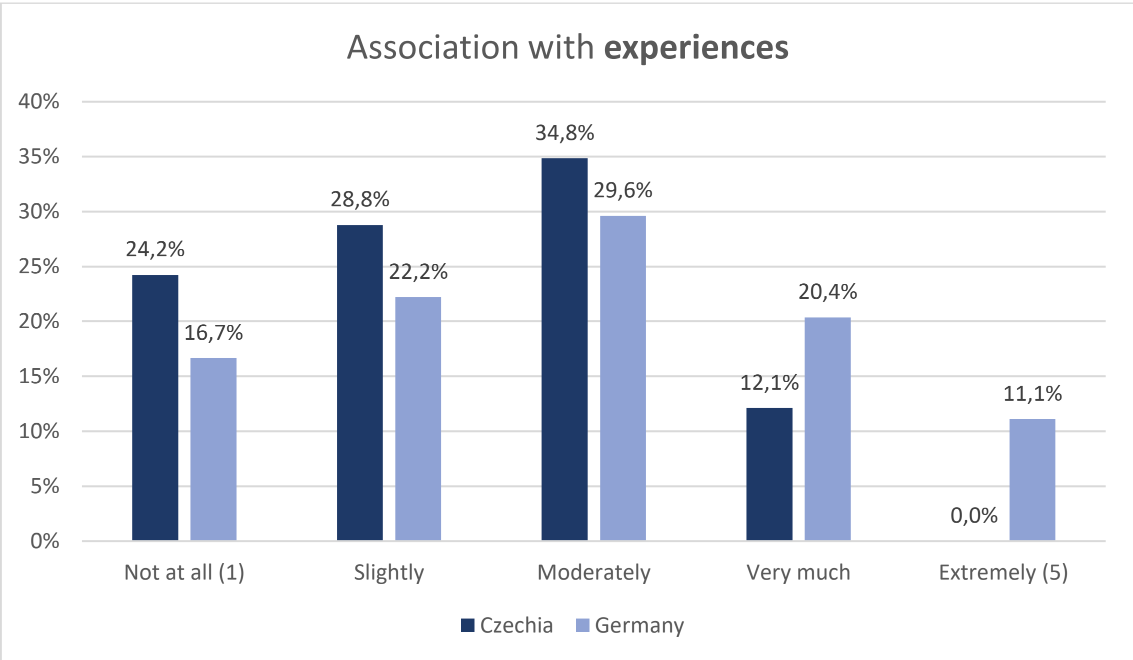

Figure 22: Brand association of Nescafé with experiences (2025)

6 Discussion and conclusions

6.1 Main conclusions

Altogether, this study demonstrates that Aaker's brand equity model can serve as a practical and theory-driven framework for a particular brand to identify its perceived similarities and differences across markets within the RTD coffee segment. Statistically significant differences between two markets indicated that these dimensions of the model can capture differences in brand perceptions, while non-significant differences, on the other hand, indicated a certain degree of similarity between them. Key dimensions, such as brand awareness, perceived quality, brand loyalty, and brand associations, can therefore serve as useful determinants for capturing and comparing a brand's position in the minds of target consumers across different markets even within this FMCG segment.

Specifically, since this master's thesis focuses on comparative analysis and its research question targets similarities and differences in how Generation Z in Czechia and Germany perceives and is aware of the Nescafé brand within the RTD iced coffee segment, this chapter presents the main conclusions, dividing them into sections of similarities and differences. The conclusions are derived from statistical testing conducted in IBM SPSS Statistics, using a 95% confidence level.

6.1.1 Similarities

One of the key similarities between Gen Z in Czechia and Germany is reflected in their awareness of the Nescafé brand within the RTD iced coffee segment. In terms of spontaneous **brand awareness** (unaided brand recall), a significantly high share of Gen Z individuals in both countries had not recalled the Nescafé brand, which suggests that the brand is not strongly present in their consumer minds. According to Kotler and Keller (2016), brand recall plays a key role outside the store. This thus indicates a potential weakness in Nescafé's presence in the minds of Gen Z consumers living in Czechia and Germany, specifically before they come into direct contact with this brand.

Additionally, in terms of brand recognition, slightly over 70% of Gen Z individuals living in these countries recognised the brand from the list provided. According to Kotler and Keller (2016), Aaker (1996) and Khurram et al. (2018), this indicates that once these consumers are inside the store they are able to recognise the brand from past exposure, which provides them with security to purchase the product. Higher brand recognition thus also represents one of the key similarities between Generation Z in Czechia and Germany.

Furthermore, similarities have been also found within the dimension of **brand loyalty**. In terms of consumers who have never tried Nescafé RTD iced coffee before, it has been concluded that there is no significant difference between Gen Z consumers in Czechia and Germany regarding their tendency to choose Nescafé for RTD iced coffee over other brands on the market. This conclusion is specifically based on their previous experience with the Nescafé brand. Overall, Aggarwal and Commuri (2023) highlight that brand loyalty is mainly built on past experiences with the brand. However, in this case, it is essential to mention that the level of their brand loyalty towards the Nescafé brand is not high, as most of Gen Z reported to be moderately or slightly likely to try the Nescafé RTD iced coffee based on their past experiences with the brand.

On the other hand, Gen Z consumers of both countries who have tried Nescafé RTD iced coffee before, remarkably show significant similarity regarding their tendency to choose the Nescafé brand for RTD iced coffee over competing brands. Although 50% of Gen Z respondents in Czechia and Germany reported to neither agree nor disagree whether they would prioritise the Nescafé brand over the competition, the rest mostly expressed their tendency to choose specifically the Nescafé brand.

Lastly, the similarity between Gen Z living in Czechia and Gen Z living in Germany has been also identified in the dimension of **brand associations**, specifically regarding authenticity. Based on the results, there is no significant difference between Gen Z in

Czechia and Germany regarding the extent to which they associate the Nescafé brand with authenticity within the RTD iced coffee. Additionally, Gen Z consumers in both countries most frequently associate the Nescafé brand with authenticity to a moderate and slight extent. This association could thus be more solid for both countries. As emphasized by NielsenIQ et al. (2024), authenticity represents the most important aspect that this generation values.

6.1.2 Differences

One of the main differences between Generation Z in Czechia and Germany has been concluded in the dimension of **perceived quality**. Based on the results, it has been observed that within RTD iced coffee segment, there is a significant difference in the level of perceived quality of Nescafé between Generation Z in Czechia and Germany. For instance, the difference was specifically spotted in terms of the perceived quality of Nescafé compared to the quality of competing brands. It is Gen Z in Germany who perceive the quality of Nescafé, in comparison to other brands, as relatively higher than Gen Z in Czechia. Moreover, Gen Z in Germany, compared to Gen Z in Czechia, also perceives it in this way within RTD iced coffee in general, and even when it comes to Nescafé coffee products in general. However, Gen Z in both Czechia and Germany most frequently perceive the quality of Nescafé as average. On the other hand, in Czechia it represents a notably higher share of Generation Z than in Germany.

Another difference has been detected in the dimension of **brand loyalty**. Although similarities in brand loyalty emerged regarding the tendency to choose the Nescafé brand for RTD iced coffee over competing brands (as previously mentioned under similarities), a difference has been identified in terms of brand recommendation. Aggarwal and Commuri (2023) emphasized that customers often attract other customers by giving positive references, which indicates their established brand loyalty. However, in case of Czechia and Germany, Gen Z living in Germany is more inclined to recommend the Nescafé brand to a friend or a family member regarding RTD iced coffee than Gen Z living in Czechia. This thus represents the difference found in the framework of brand loyalty.

The last two significant differences were found in the dimension of **brand associations**, namely regarding sustainability practices and experiences. Gen Z individuals living in Germany associate the Nescafé brand with sustainability practices less than Gen Z in Czechia. For instance, over 61% of Gen Z respondents living in Germany reported that they do not associate the Nescafé brand within its RTD iced coffee products with sustainable practices at all. This is by almost 30 percentage points more than the share of Gen Z respondents living in Czechia. Next, in terms of association with experiences, there has been found a significant difference between Gen Z in Czechia and Germany regarding the extent to which they associate the Nescafé brand with experiences. Specifically, within RTD iced coffee segment, Gen Z living in Germany associates the Nescafé brand with experience more strongly than Gen Z living in Czechia. Therefore, the associations of Nescafé with sustainable practices and experiences represent significant differences between Gen Z in Czechia and Germany.

6.2 Managerial implications

6.2.1 For the Nescafé brand

Overall, Nescafé should primarily focus on being more brand recalled by Generation Z. Since this generation represents its target audience, brand awareness in terms of brand recall needs to be especially targeted, as it is currently positioned in the "Graveyard" area of being recognised but not recalled by these consumers within both countries. Given that Generation Z consists of digital natives who spend a considerable amount of time online, Nescafé could highly increase its brand recall by using a variety of digital channels, including social media platforms and influencer marketing.

Regarding quality, it has been stated in the findings section that Generation Z does not overall perceive the quality of Nescafé as high but rather as average. Moreover, it has been noted that Generation Z in Czechia perceives the quality of Nescafé as comparatively lower than Generation Z in Germany. NielsenIQ et al. (2024) emphasize that quality represents one of the main values of Generation Z and Matušić et al. (2024, p. 480) further highlight that Generation Z consumers prefer products of higher quality. This means that Nescafé should particularly aim to increase its quality perception to appropriately align with the values of its target audience, and especially in Czechia. Not to mention that it is essential to create the impression of a high-quality brand within RTD iced coffee, while still being perceived as an affordable one.

Furthermore, according to the research results of this study, Nescafé is not strongly associated with sustainable practices, both in Czechia and Germany. However, this association is much weaker in Germany. Over 61% of Gen Z individuals in Germany reported that they do not associate the Nescafé brand with sustainable practices at all. This is indeed highly problematic, as Generation Z consumers have high environmental awareness, are primarily environmentally conscious, and this is thus reflected into their purchasing behaviour (Amed et al., 2019; Deloitte, 2024; Gomes et al., 2023; Matušić et al., 2024). Nescafé should, therefore, actively publicly communicate its commitments, practices and efforts towards sustainability, such as Fairtrade certification, environmentally friendly packaging, circular initiative, among others, and especially in Germany, Overall, the RTD iced coffee cans can be 100% recycled (Nescafé CZ, 2025f; Nescafé DE, 2023), and these beverages are 100% responsibly sourced, which is in accordance with the "Nescafé Plan" sustainability program (Nescafé CZ, 2025e; Nescafé DE, 2023). Therefore, these are the information that needs to be associated with the Nescafé brand to attract the target audience, and Nescafé should focus on this.

Lastly, although Nescafé is associated with authenticity and experiences in the Czech Republic and Germany to similar extent (mostly at the moderate level), and these associations could become stronger, Nescafé should currently primarily focus on its digital visibility, level of perceived quality, and association with sustainable practices. These areas indeed represent the current challenges that the brand needs to address to attract Generation Z customers and build their loyalty to the brand.

6.2.2 For brands operating in the RTD iced coffee beverage market

When it comes to brand awareness regarding RTD iced coffee, 17% of Gen Z individuals living in the Czech Republic and 20% of Gen Z individuals living in Germany could not recall any brand in this research. This thus creates a significant opportunity for brands to strengthen their presence in Gen Z´s minds, perhaps even becoming the top-of-mind brand within this RTD iced coffee segment. Given that Generation Z consists of digital natives who spend a considerable amount of time online, brands could leverage this opportunity and build its brand equity by using a variety of digital channels. Generally, it is highly important to focus on brand awareness as it can provide significant benefits in the form of reduced marketing costs, attracting new customers, and trade leverage (Figure 1, p. 15).

Furthermore, approximately 22 to 23% of Gen Z individuals living either in the Czech Republic or Germany reported in this research that they had never bought RTD iced coffee. It is thus important to be associated with sustainable practises, authenticity and experience to target and attract this consumer group. As previously mentioned, this generation has high environmental awareness, and is primarily environmentally conscious, which is even reflected into its purchasing behaviour (Amed et al., 2019; Deloitte, 2024; Gomes et al., 2023; Matušić et al., 2024). Findings of this study indicate that Generation Z consumers apply strict standards when evaluating brands’ sustainability efforts, especially in Germany, which reflects their strong environmental values. Therefore, a brand which wants to target these consumers should follow their values and preferences and translate them into action. In this way, once these customers are attracted, these shared values can even foster brand loyalty.

6.3 Limitations

This study also contains certain limitations that are worth mentioning. First, the sample of Gen Z respondents may not fully reflect Generation Z´s awareness and perceptions of the Nescafé brand. In both countries, over 50% of respondents are females. In addition, within the Czech Republic, the most represented age group is in the age range of 24-26 years (56.1%), and individuals aged 18–20 are just marginally represented. Furthermore, in both countries, most of the respondents are still students, however, this has been expected since Gen Z was determined as individuals aged 18–30 years old in this study. In addition, a significant portion of Gen Z individuals in this study are university-educated individuals based on their highest level of education achieved. Furthermore, another limitation is that this research relies on data gathered from 120 Gen Z individuals. This thus also represents one of the limits, as in general the more data that is collected, the more accurate the results will be.

Next, the quantitative survey may not in-depth reflect Generation Z´s awareness and perceptions of the Nescafé brand. In-depth interviews and follow-up questions could have further contributed to the insight into the perception of the Nescafé brand, but given the scope and extent of this thesis, this has been not carried out.

Lastly, there are also certain geographical and time limitations, as the specifics of these markets and their Generation Z members may not be applicable to a more regional context. Moreover, regarding time frame, perceptions may change over time, both due to changes in the Nescafé brand strategy and due to changes in the performance of other brands in the market with which Nescafé is compared by this target group.

6.4 Future research directions

Although this research has uncovered certain key areas of awareness and perceptions of a particular coffee brand in the RTD iced coffee segment, future research could support these gathered insights by conducting qualitative research. Given the specific characteristics of Generation Z consumers, it would be highly valuable to understand their perceptions and perspectives on a deeper level by conducting in-depth interviews, including follow-up questions. The inclusion of follow-up questions could deeply reveal the reasons why they perceive a given brand in a certain way and what could potentially change their perceptions. Furthermore, capturing and comparing these Generation Z´s brand perceptions in other markets could also play a significant role in understanding the European context. In addition, it would be also highly valuable to focus more thoroughly just on the factors that shape Generation Z´s perceptions regarding brand sustainability. Despite that Nescafé serves RTD iced coffee in cans that are fully recyclable and has introduced other sustainability efforts and commitments, yet many German Gen Z consumers do not associate this brand with sustainable practises at all. Therefore, interviews could clarify this perception gap and provide guidance for other brands on how to successfully target positive sustainability perceptions among this demographic.

7 Ethical use of artificial intelligence

In this thesis, AI was used primarily to find synonyms, identify grammatical errors, and in certain cases to improve the sentence coherence to achieve more precise academic English, as the author of this thesis is not a native English speaker. AI suggestions regarding synonyms and sentence structure were always carefully checked by the author so that the original meaning of the sentences remained unchanged. At the same time, the author always consistently checked and corrected these AI suggestions so that the text was still highly humanly written by the author and remained humanly readable.

Specifically, the AI tool Grammarly was used to check grammar and correct any grammatical errors. Grammarly also recommended suggestions to the author for improving sentence structure, which the author first consistently evaluated and then used if necessary. Other AI tools used in this thesis include ChatGPT and DeepAI for the same writing purposes. In addition, ChatGPT was even used to generate one image for the questionnaire to help respondents remind how RTD iced coffee beverages look like.

However, these AI tools, or any others, were not used to analyse data. The author analysed the statistical tests and its results herself and provided the recommendations for Nescafé based on her own analysis and consideration.

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Appendices

Appendix 1. Survey questionnaire

Hello there,

I am a double degree student at the University of Vaasa and the Prague University of Economics and Business. As part of my master's thesis, I am conducting research on brand perception within the Ready-to-Drink (RTD) iced coffee segment among Generation Z in the Czech Republic and Germany.

RTD coffee market is growing rapidly, and your insights are tremendously valuable! Therefore, I would truly appreciate your time and contribution. The questionnaire is completely anonymous and takes approximately 5–8 minutes to complete.

Thank you in advance!

Kind Regards,
Nela Svatoňová

(If you have any questions, feel free to contact me at nela.svatonova@gmail.com.)

Filter questions:

1) Are you 18 to 30 years old? (If not, the survey ends.)
2) Have you ever worked in marketing for a coffee brand? (If yes, the survey ends.)

Content questions:

(At the beginning of the next section, the following AI-generated Picture 1 was included to help remind respondents how RTD beverages look like. The image shows that it is possible to have these beverages in a can, bottle or carton without showing the respondent particular coffee brands that would influence subsequent answers.)

*Here you can see the **Ready-to-drink (RTD) iced coffee** options:*

Picture 1: AI generated image of iced coffee in a can, bottle and carton (ChatGPT, 2025)

1) **Which brand(s) come to your mind** Which brand(s) come to your mind when you think of these pre-made iced coffee drinks sold in a can, bottle or carton (= Ready-to-Drink)? (open-ended question)

   (If no brand comes to mind, please type 'none')

2) Which of the following brands offering Ready-to-drink (RTD) iced coffee **do you recognize**? (multiple choice question)
   - Starbucks
   - Costa Coffee
   - Nescafé
   - Hochwald
   - Ehrmann
   - Tatra
   - Alpro
   - Alnatura
   - Bärenmarke

- Dovgan
- Mr. Brown
- Big Shock

3) Regarding RTD iced coffee, how would you describe your purchasing behaviour? (single-choice question)
   a. I buy from one brand only.
   b. I buy from one brand, but more out of habit than loyalty.
   c. I buy from 2–3 brands.
   d. My brand preferences change frequently from time to time.
   e. I don't have any brand preferences.
   f. I have never bought RTD iced coffee.

Here you can see the **Nescafé RTD iced coffee** options:

Picture 2: RTD iced coffee offering (Adapted from Nescafé CZ, 2025)

4) Before seeing the image above, how familiar were you with Nescafé RTD iced coffee products? (Likert scale 1–5, factor = familiarity)
   1. Not at all familiar
   2. Slightly familiar
   3. Moderately familiar
   4. Very familiar
   5. Extremely familiar

5) Have you ever tried Nescafé RTD iced coffee? (single-choice question)
   1. Yes
   2. No

If 5) is **Yes**:

Please indicate your level of agreement with the following statements:

6) I would choose Nescafé for RTD iced coffee over other available brands. (Likert scale 1–5, factor = agreement)
   1. Strongly disagree
   2. Disagree
   3. Neither agree nor disagree
   4. Agree
   5. Strongly agree
7) I would recommend Nescafé as a brand member for RTD iced coffee consumption to a friend or family. (Likert scale 1–5, factor = agreement)

If 5) is **No**:

8) Based on your **previous experience** with the Nescafé brand, how likely are you to choose Nescafé for RTD iced coffee over other available brands?
   1. Not at all likely
   2. Slightly likely
   3. Moderately likely
   4. Very likely
   5. Extremely likely
   6. I have no previous experience with the Nescafé brand
9) Which of the following factors would make you more likely to try Nescafé RTD iced coffee? (Multiple choice)
   - Stronger advertising of Nescafé within its RTD iced coffee
   - Positive online reviews and ratings
   - More convenient availability (e.g., at university)

- Rewards or discounts for loyal customers
- Stronger perception of Nescafé as a high-quality coffee brand
- Associations of the Nescafé brand with sustainability and ethical practices
- None of the above
- Other (Please specify)

10) Do you consider trying Nescafé RTD iced coffee in the future? (Likert scale 1–5)
    1. Definitely not
    2. Probably not
    3. Neither yes nor no
    4. Probably yes
    5. Definitely yes

For all:

11) How do you perceive the quality of the Nescafé brand within coffee products in general? (Likert scale 1–5, factor = quality)
    1. Very low quality
    2. Low quality
    3. Average quality
    4. High quality
    5. Very high quality
12) How do you perceive the quality of the Nescafé brand within RTD iced coffee products? (Likert scale 1–5, factor = quality)
13) How do you perceive the quality of the Nescafé brand compared to other brands within RTD iced coffee? (Likert scale 1–5, factor = quality)
14) To what extent would you associate (connect) Nescafé within its RTD iced coffee products with: (Likert scale 1–5, factor strength of association)
    - Convenience (e.g., quick, easy, portable)
    - Sustainable practices (e.g., eco-friendly, ethical)
    - Authenticity (e.g., personal expression, genuine, original)

- ❖ Experiences (e.g., moments with friends, fun, enjoyable)

Demographic questions:

1) Country you live in:
    a) Czech Republic
    b) Germany
2) Your gender:
    a) Female
    b) Male
    c) Other
3) Age: *(Please provide numbers only, in years.)*
4) Status: *(Please select all that apply.)*
    a) Student
    b) Employed
    c) Unemployed
    d) Self-employed
    e) Parent on maternity leave
    f) Other
5) Your highest level of education:
    a) Elementary – Primary school
    b) Secondary – High school diploma
    c) Vocational qualification *(Vyšší odborné/Berufsausbildung)*
    d) Bachelor’s degree
    e) Master’s degree
    f) Doctoral degree (PhD)
    g) University-level professional degree
    h) Other (please specify):

Appendix 2. Research hypotheses

Table 2: Research hypotheses on individual dimensions of brand equity

Number	Hypotheses on the dimension of **brand awareness**
H1	There is a significant difference in spontaneous brand awareness of Nescafé within the RTD iced coffee segment between Gen Z in Czechia and Germany.
H2	There is a significant difference in brand recognition of Nescafé within the RTD iced coffee segment between Gen Z in Czechia and Germany.
Number	Hypotheses on the dimension of **perceived quality**
H3	There is a significant difference in the level of perceived quality of Nescafé within RTD iced coffee between Gen Z in Czechia and Germany.
H4	There is a significant difference between Gen Z in Czechia and Germany regarding the perception of quality of the Nescafé brand within RTD iced coffee compared to the quality of competing brands.
Number	Hypotheses on the dimension of **brand loyalty**
H5	There is a significant difference between Gen Z consumers in Czechia and Germany in terms of their tendency to choose Nescafé RTD iced coffee over other brands, based on their previous experience with the Nescafé brand.
H6	There is a significant difference between Gen Z in Czechia and Germany regarding their tendency to choose the Nescafé brand for RTD iced coffee over competing brands.
H7	There is a significant difference between Gen Z in Czechia and Germany regarding their inclination to recommend the Nescafé brand for RTD iced coffee to a friend or family member.
Number	Hypotheses on the dimension of **brand associations**
H8	There is a significant difference between Gen Z in Czechia and Germany regarding the extent to which they associate the Nescafé brand with sustainable practices within the RTD iced coffee.

H9	There is a significant difference between Gen Z in Czechia and Germany regarding the extent to which they associate the Nescafé brand with authenticity within the RTD iced coffee.
H10	There is a significant difference between Gen Z in Czechia and Germany regarding the extent to which they associate the Nescafé brand with experiences within the RTD iced coffee.

Appendix 3. Summary of results in IBM SPSS Statistics

Table 3: Summary of results in SPSS for individual hypotheses

Number	Results on the dimension of **brand awareness**	*Decision*
H1	Pearson Chi-Square (χ^2 = 1.845, df = 1, p = 0.174), Fisher´s Exact Test (2-sided p = 0.296)	H1 rejected
H2	Pearson Chi-Square (χ^2 = 0.404, df = 1, p = 0.525)	H2 rejected
Number	Results on the dimension of **perceived quality**	*Decision*
H3	Independent-Samples Mann-Whitney U Test (U = 2381.500, z = 3.883, 2-sided p < .001)	H3 supported
H4	Independent-Samples Mann-Whitney U Test (U = 2218.000, z = 2.589, 2-sided p = 0.010)	H4 supported
Number	Results on the dimension of **brand loyalty**	*Decision*
H5	Independent-Samples Mann-Whitney U Test (U = 511.500, z = -0.445, 2-sided p = 0.656)	H5 rejected
H6	Independent-Samples Mann-Whitney U Test (U = 105.000, z = 0.459, 2-sided p = 0.698)	H6 rejected
H7	Independent-Samples Mann-Whitney U Test (U = 146.000, z = 2.685, 2-sided p = 0.020)	H7 supported
Number	Results on the dimension of **brand associations**	*Decision*
H8	Independent-Samples Mann-Whitney U Test (U = 1212.000, z = -3.211, 2-sided p = .001)	H8 supported

H9	Independent-Samples Mann-Whitney U Test ($U = 1746.000$, $z = -0.198$, 2-sided $p = 0.843$)	H9 rejected
H10	Independent-Samples Mann-Whitney U Test ($U = 2200.000$, $z = 2.280$, 2-sided $p = 0.023$)	H10 supported