

STRATEGIC PRICING AND MARKET POSITIONING IN SPORTS MARKETING

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(Original scientific paper)

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Abstract

This paper investigates the role of brand awareness in building brand equity and its impact on consumer purchasing decisions and brand value in the sports market of North Macedonia. The study focuses on consumer attitudes towards sports Brand X, comparing it with well-established international brands such as Brand A, Brand B, Brand C, Brand D, and Brand E. A structured questionnaire was distributed electronically to 110 respondents, with 93 providing effective responses. The findings highlight that enhancing market positioning, broadening the product range, and boosting promotional efforts can significantly increase consumer purchases. The research concludes that a combination of differentiation and cost-based strategies can improve Brand X's competitiveness, enabling it to effectively satisfy consumer needs while generating profitability. Key insights include the importance of brand awareness in influencing consumer decisions, varying levels of price sensitivity among different consumer segments, and the need for transparent pricing and clear communication of benefits to build consumer trust. Additionally, the study emphasizes the necessity for sports products to meet stringent safety and quality standards, including assessments of composition, physicochemical properties, and safety certifications. These insights provide a strategic framework for positioning Brand X in the competitive sports market, suggesting that focusing on expanding the product range, enhancing promotional efforts, and implementing competitive pricing strategies can strengthen Brand X's market presence and improve consumer trust.

Key words: Brand awareness, consumer perception, sports brands, pricing strategy

Literature Review

Brand awareness plays a crucial role in building brand equity and influencing consumer purchasing decisions. According to Aaker (2016), brand equity refers to the value that a brand adds to its products or services, which is essential for creating a strong market presence and fostering consumer loyalty. Aaker emphasizes that brand awareness is a fundamental component of brand equity, as it helps consumers recognize and recall the brand, leading to increased trust and preference (Aaker, 2016). Cheng-Han et al. (2016) explore the strategic fit of competition on foreign enterprises and brand strategy. They highlight that effective brand positioning and differentiation are key to gaining a competitive advantage in the market. By aligning brand strategies with consumer expectations and market trends, companies can enhance their brand equity and drive consumer loyalty (Cheng-Han et al., 2016). This alignment ensures that brands remain relevant and appeal to their target audience, thereby strengthening their market position. Ching-jui et al. (2016) examines the impact of virtual presence and product experience on brand attitude and purchase intention. Their study reveals that consumers' virtual interactions with a brand can significantly influence their perceptions and purchasing behavior. This underscores the importance of creating engaging and memorable brand experiences to build strong brand equity (Ching-jui et al., 2016). In today's digital age, virtual presence through social media and online platforms is crucial for maintaining consumer engagement and loyalty. Delgado-Ballester and Hernández-Espallardo (2008) investigate the effect of brand associations on consumer reactions to unknown online brands. They find that positive brand associations, such as perceived quality and trustworthiness, can enhance consumer acceptance and loyalty towards new brands. This suggests that building strong brand associations is critical for establishing brand equity in the digital marketplace (Delgado-Ballester and Hernández-Espallardo, 2008). Positive associations can be cultivated through consistent branding efforts and delivering on brand promises. Price is a key factor in consumer

decision-making because it serves as both a measure of cost and an indicator of quality. Consumers often use price to infer value, especially when other information about the product is limited. Völckner and Hofmann (2007) explain that consumers often associate higher prices with better quality, especially in premium markets. This perception can be exploited by sports brands, especially luxury sports brands, to justify premium prices while aligning with consumer expectations (Völckner and Hofmann, 2007).

Different consumers have different levels of price sensitivity. For example, budget-conscious shoppers prioritize affordability, while premium customers focus on perceived exclusivity and value. Effective pricing strategies, such as price tiers, allow businesses to cater to different market segments without compromising brand perception. Consumers increasingly seek products that offer the best value for their money. Transparent pricing and clear communication of benefits increase consumer trust and willingness to pay (Kotler and Armstrong, 2008).

Understanding and effectively managing pricing and merchandising factors are essential to influencing consumer perceptions. Businesses that integrate these elements into their strategies are better positioned to attract, satisfy, and retain customers in a competitive market. By focusing on both price and quality, brands can create a balanced value proposition that appeals to a broad range of consumers (Rahman, 2014).

Sports products are a distinct product category that offers significant business opportunities, with ongoing trends that enable category expansion and new product introductions. In the global context of the category, the consumer is at the center, with all their daily habits related to tradition, culture, and more. All sports products must be safe to use. When analyzing products before they are introduced to the market, manufacturers must conduct and label several important assessments, including the quantitative and qualitative composition of the product, physicochemical properties, toxicity of raw materials, heavy metal analysis, safety certification, and more. The manufacturer responsible for placing sports products on the market must keep records and data relating to the qualitative and quantitative composition of the product, including fragrance and perfume codes, and details of the supplier; physico-chemical and microbiological analyses of the raw materials used in the product, including information on purity and microbiological standards; a written declaration confirming that the manufacturing method complies with good manufacturing practices; safety assessments for human health; name and address of the qualified person(s) responsible for the safety assessment; existing data on adverse effects in humans caused by the use of the product; literature references and results of studies on the product provided by the manufacturer, etc. Among the most popular global sports products on the market in the Republic of North Macedonia are Adidas, Nike, Puma, Salomon, Asics, Fila, Reebok, Converse, and others. This review highlights some of the leading brands and legal considerations in the industry of sports products, emphasizing their commitment to quality and safety (Gomoescu, 2016).

In conclusion, the literature highlights the importance of brand awareness, strategic positioning, and positive brand associations in building brand equity. By focusing on these elements, companies can effectively influence consumer perceptions and drive purchasing decisions, ultimately enhancing their market competitiveness and profitability. Additionally, understanding and managing pricing and merchandising factors are crucial for attracting and retaining customers in a competitive market. Ensuring product safety and compliance with legal standards further strengthens consumer trust and brand reputation.

Research methodology

The research used a structured questionnaire to compare Brand X with its competitors Brand A, B, C, D, and E. The questionnaire was distributed electronically to 110 respondents, of which 93 provided effective responses. The sampling method was purposive, targeting consumers who are familiar with sports brands. The questionnaire included both closed and open-ended questions to capture quantitative and qualitative data. Respondents were contacted electronically and asked to complete the online questionnaire. Respondents expressed their views and opinions about Brand X in comparison with competing brands on the sport market in the Republic of North Macedonia. The research was conducted in January 2025. The questionnaire used in the research included questions about price and trade factors, which are explained through the activities they cover. First, respondents were asked to rank these criteria on a scale of 1 to 5 based on their importance, and then they were asked to rate each sport product against those criteria. The aim is to identify and analyze the factors that influence consumers when choosing a sports product.

Consumers first rated the importance of various price and trade factors when choosing a sport products on a scale of 1 to 5, with 1 being the least important and 5 being the most important. The results indicate

that Brand A is the highest-rated brand, with 88% of respondents rating it as excellent. Brand X is positively perceived with 72% of respondents rating but after Brand E (87%), C (83%), D (78%).

Graph No.1: Rate of Sports products on a scale from 1 (unsatisfactory) to 5 (excellent brand).

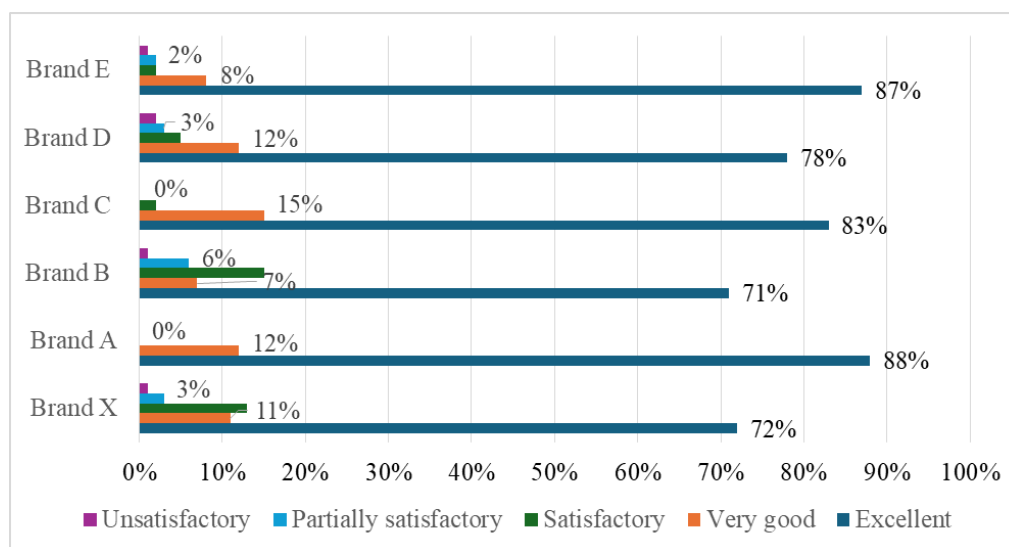


Table No. 1. Rate of Sports products on a scale from 1 (unsatisfactory) to 5 (excellent brand) in %

	Brand X	Brand A	Brand B	Brand C	Brand D	Brand E
Excellent	72%	88%	71%	83%	78%	87%
Very good	11%	12%	7%	15%	12%	8%
Satisfactory	13%	0%	15%	2%	5%	2%
Partially satisfactory	3%	0%	6%	0%	3%	2%
Unsatisfactory	1%	0%	1%	0%	2%	1%
	100%	100%	100%	100%	100%	100%

Table No.2 Sample structure

Gender	Respondents	% Respondents
Male	25	27%
Female	68	73%
Age 18-38 years	51	54%
Age 39-59 years	30	33%
Age 60+	12	13%
Monthly Income Level (MIL) Up to 20 000 MKD	43	46%
MIL from 20 001 to 50 000 MKD	30	32%
MIL over 50 000 MKD	20	22%
Total Number	93	100%

From the Table 2 it can be seen that the majority of respondents are female, i.e. 73% or 68 of the respondents, and only 27% or 25 of the respondents are male. In terms of age 54% of the respondents (51) are between the ages of 18 and 38, 33% (30 people) are between the ages of 39 and 59, and only 13% (12 people) are over the age of 60. In terms of the financial situation of the respondents, 46% (43 people) have an income of up to 20,000 den, 32% (30 people) have an income of 20,001 to 50,000 den and 22% or 20 people have a monthly income of over 50,000 den.

The research was conducted based on price and trade factors (price, brand availability, product range/assortment). Of this three the most important factor for consumers is price, with an average importance of 4.813, followed by brand availability (4.266) and product range (4.058).

Table No. 2. Respondents' perceptions of the importance of price and trade factors when choosing a sports product

	Questions	Importance
	Price and trade factors	4.379
1	Brand availability	4.266
2	Product range	4.058
3	Price	4.813

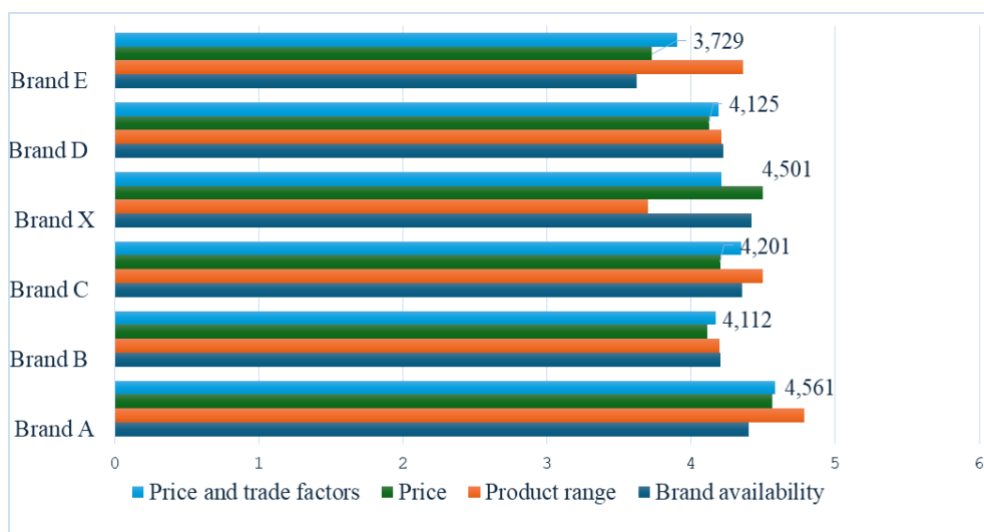
According to data Table 3 on the positions of the six brands by price and trade factors. Brand A is best positioned in terms of product range with an average range of 4.783, followed by price with an average range of 4.561 and lastly, brand availability with an average range of 4.402. Brand B is best positioned in terms of brand availability with an average range of 4.205, followed by product range with an average range of 4.200 and lastly, price with an average range of 4.112. Brand C is best positioned in terms of product range with an average range of 4.496, followed by brand availability with an average range of 4.356 and lastly, price with an average range of 4.201. Brand X is best positioned in terms of price with an average range of 4.501, followed by brand availability with an average range of 4.421 and lastly by product range with a range of 3.703. Brand D is best positioned in terms of brand availability with an average range of 4.226, followed by product range with an average range of 4.213 and lastly by price with a range of 4.125. Brand E is best positioned in terms of product range with an average range of 4.359, followed by price with an average range of 3.729 and lastly by brand availability with an average range of 3.624.

Table No 3. Respondents' perceptions of individual groups of factors by brand

Questions	Brand X	Brand A	Brand B	Brand C	Brand D	Brand E
Brand availability	4.421	4.402	4.205	4.356	4.226	3.624
Product range	3.703	4.783	4.200	4.496	4.213	4.359
Price	4.501	4.561	4.112	4.201	4.125	3.729
Price and trade factors	4.208	4.582	4.172	4.351	4.188	3.904

According to data about the first factor Brand availability, Brand X is positioned in first place with an average range of 4.421, followed by Brand A in second position with an average range of 4.402, on third position is Brand C with an average range of 4.356, on fourth place is Brand D with an average range of 4.226. Brand B is positioned in five places with an average range of 4.205 followed by the last brand in position number six, Brand E with an average range of 3.624.

Graph No.2: Importance of Price and Trade Factors



According to data about the third factor Price, Brand A is positioned in first place with an average range of 4.561, followed by Brand X in second position with an average range of 4.501, on third position is Brand C with an average range of 4.201, on fourth place is Brand D with an average range of 4.125. Brand B is positioned in five places with an average range of 4.112 followed by the last brand in position number six Brand E with an average range of 3.729. If we take into account the respondent perceptions of the individual groups of factors by brand by the respondents,

presented in Table 3, we can conclude that in Republic of North Macedonia the Brand A is best perceived by consumers in relation to all price and trade factors (4.582). In other words, from every aspect, brand A is best perceived in relation to other competing sport products on the market in the Republic of North Macedonia. The closest to the brand Brand A is the brand C (4.351), than brand X (4.208), D (4.188), Brand B (4.172) and brand E with the lowest score of 3.703.

The findings of this study align with previous research by Savitha A., et al. (2016), which highlights the importance of brand awareness in influencing consumer behavior. The positive perception of Brand A and Brand C is consistent with the findings of Anjana S. S. (2018), who identified quality and brand as key factors in consumer purchasing decisions. The implications for brand managers are clear: to improve market position, Brand X should focus on expanding its product range and enhancing promotional efforts. According to Armstrong (Armstrong 2008), companies should aggressively promote only one characteristic in the target market. Each brand should choose one attribute and position itself as "number 1" for that attribute. Buyers tend to remember the "number 1" better, especially in a society that is overloaded with communication.

Summary

This paper investigates the role of brand awareness in building brand equity and its impact on consumer purchasing decisions and brand value. The research focuses on consumer attitudes towards sports Brand X in comparison to other sports brands in the Republic of North Macedonia, including well-known international brands such as Brand A, B, C, D, and E. A structured questionnaire was distributed electronically to 110 respondents, with 93 providing effective responses. The study highlights that improving market positioning, expanding the product range, and increasing promotional efforts can enhance consumers' motivation to purchase. The findings suggest that a combination of differentiation and cost-based strategies can improve Brand X's competitiveness, enabling it to effectively meet consumer needs while generating profitability. Key insights include Brand Awareness: Essential for building brand equity and influencing consumer decisions; Price Sensitivity: Different consumers have varying levels of price sensitivity, affecting their purchasing behavior; Value for Money: Consumers seek products that offer the best value, emphasizing the importance of transparent pricing and clear communication of benefits. and Quality and Safety: Sports products must meet stringent safety and quality standards, including assessments of composition, physicochemical properties, and safety certifications. The study concludes that Brand X should focus on expanding its product range, enhancing promotional efforts, and implementing competitive pricing strategies to strengthen its market presence and improve consumer trust.

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