



**UNIVERSITY OF PELOPONNESE
FACULTY OF HUMAN MOVEMENT AND
QUALITY OF LIFE SCIENCES
DEPARTMENT OF SPORTS ORGANIZATION
AND MANAGEMENT**

MASTER'S THESIS

“OLYMPIC STUDIES, OLYMPIC EDUCATION, ORGANIZATION AND
MANAGEMENT OF OLYMPIC EVENTS”

**Impact of branding on behaviour decision of customers in
buying running shoes
(in conditions of the Slovak Republic)**

Ladislav Mravec

Supervisor: Benoît SÉGUIN, Ph.D.
Associate Professor

Sparta, January, 2013



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ABSTRACT

The purpose of this study is to investigate factors that influence the Slovaks athletic footwear purchase. This research will aid in gaining insights in Slovaks consumer behaviour, motives behind purchase decision of sport shoes and understand the dynamics of purchase decision with regard to the sports shoes and thereby help in formulating customised marketing strategies.

Three hundred and thirty three people participated in the study. A questionnaire was spread among runners in Slovakia. An on-line version was circulated for online-respondents and a paper version was distributed to middle and long distance runners on their training spots. We also had respondents from University Students of Physical Education and Sport.

Throughout the review of literature and the conduction of a pilot study several characteristics were considered; gender, price, colour, style, brand name, comfort, quality and monthly income. Marketers and advertising managers can utilise the findings of this study to communicate with the Slovak consumers more effectively.

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The process I have taken to create and complete this thesis has provided me a platform to better understand my capabilities and skills both personally and academically. This journey of self-actualisation would not have been fulfilled without the guidance and support of several individuals.

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CHAPTER 1: INTRODUCTION

1.1 Introduction

When talking about brand, three critical issues need to be emphasized: (1) how to build a strong brand, (2) how to maintain competitive position without change when time goes by, and (3) how to extend brand name leverage to expand businesses. Brand is often used to represent the reputation of manufacturers following by the increase of sales.¹ Thus, the American Marketing Association defines a brand as “a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors,” and the basic function of brand is to deliver the messages of best quality guarantee of a product and to provide a set of congruence of product attributes, benefits, and services.^{2 3}

Brand is one of the most important and ever lasting assets in a business because a strong and powerful brand stands for a group of loyal customers, and it is the foundation of competitive advantage and resource of earning.⁴ Otherwise said, branding can be a prominent component in business as it can boost up business interests, build public trust, credibility and hence influence purchase decision of the consumer. Enterprises have to build a brand to create their value and brand operation must start form brand equity building. To sum up, brand is a major asset in a corporation, and it not only brings brand image and brand value to a corporation but also helps consumers to differentiate a product and increase purchase intention.

1.2 Purpose of research

The aim of this thesis is to provide an understanding of the factors that influence the Slovak customers to purchase running shoes with association to age, gender and average monthly gross income.

The primary questions of the research are hence:

1 Mariotti, J. (1999). Smart things to know about brands and branding. London: Capstone Publishing.

2 Kotler, P. (1996). Marketing management (S. J. Fang, Trans). Taipei: Tung Hua.

3 Kotler & Keller. (2006). Marketing management 12th ed. Upper Saddle River, New Jersey.

4 Aaker, D. A. (1991). Managing Brand Equity. New York: The Free Press.

1. What are the factors that influence the Slovak choice when purchasing running shoes?
2. Does pricing affect the buying behaviour of consumers with regards to purchase of sports shoes in the Slovak Republic?
3. Are the motivations for male and female consumers different?
4. What is the favourite brand of the Slovaks?
5. What are the attributes the Slovaks identify the different shoes brand with?
6. Does the average monthly gross income of consumers influence their buying behaviour of sports brands in the Slovak Republic?

The secondary questions are:

1. What are the sources of information to which the Slovaks go to find information on branded shoes?
2. What is the likelihood of a consumer to buy the same brand he/she previously buys?

1.3 Significance of study

The purpose of this study is to investigate factors that influence the Slovaks athletic footwear purchase. The research will aid in gaining insights in the Slovak consumer behaviour, motives behind purchase decision of sport shoes and understand the dynamics of purchase decision with regard to the sports shoes thereby helping in formulating customised marketing strategies.

This dissertation is significantly valuable as it clearly shows what the Slovak people consider when buying a pair of shoes and the factors that dictate their purchase.

1.4 Structure of dissertation

A five chapter structure has been adopted in order to cater with the numerous issues pertaining to our research.

Chapter 1: Introduction:

Chapter one introduces the research topic and background and outlines the path taken by the researcher to answer the research questions and the purpose and significance of the research.

Chapter 2: Literature Review

Chapter two reviews the literature that underpins the arguments of the study. This review explores the concept of marketing of which branding is a part, the psychology of marketing, i.e. we shall investigate what influences consumers behaviours and finally we shall review the different shoes brands history and studies that have been done upon them so far.

Chapter 3: Methodology

Chapter three explains the methodology employed for the research. It discusses the ontological and epistemological justification for the overall methodology of the research. The chapter then describes the methodological approach undertaken and the associated data gathering procedures.

Chapter 4: Analysis of Results

In chapter four, an analysis of the results collected in our study will be done to present the data in a meaningful way.

Chapter 5: Conclusion & Recommendations

Chapter five is the final chapter of the thesis providing the recommendations and conclusion of the research.

CHAPTER 2: LITERATURE REVIEW

2.1. Marketing

We could not describe branding and brand management if we don't start with the highest keyword, under which everything about branding is gathered. Branding or brand management belongs to Marketing as one of the key concept, which tries to present a company, product or service in the best way and want to remain in the customer perception good feelings in order to motivate her/him and stick with a brand.

When we talk about marketing, there are several factors that influence our decision in favour of one product from a wide variety of products. This tool, where producers try to differentiate their product from other products and from competitors is called Marketing mix, which consists of four parts.

2.1.1. Marketing mix

*Marketing mix is a set of marketing tools that the firm uses to pursue its marketing objectives in the target markets. It includes four variables - product, price, place and promotion (4 Ps). It also includes everything the firm can do to influence the demand for products. The manufacturers and marketers formulate various strategies based on these factors.*⁵



Figure 1: The 4Ps of the marketing Mix

2.1.2. Product Factors

Product Factors include marketing tools of a certain product such as brand, design, quality, durability, product warranty, variety model, beautiful packaging, or if a certain product is imported or made in the country where it is also selling. Every product has its own life-cycle that is the time from the of introduction, where the product is introduced on the market, goes through growth, maturity, saturation and decline, in other words a final

5 Saha, S., et al (2010). Factors Affecting Consumer Buying Behaviour of Shoes in Kolkata: A Case Study, *The IUP Journal of Management Research*, 9, 4, 39 – 42.

destination of a product as it is often taken off the market, because it no longer fulfils the needs of customers.⁶

2.1.3. Price Factors

The price is the amount a customer pays for the product. The price is very important as it determines the company's profit and hence, survival. Adjusting the price has a profound impact on the marketing strategy, and depending on the price elasticity of the product, often it will affect the demand and sales as well. The marketer should set a price that complements the other elements of the marketing mix.⁷

2.1.4. Place Factors

Place Factors refers to providing the product at a place which is convenient for consumers to access. Place is synonymous with distribution. Various strategies such as intensive distribution, selective distribution, exclusive distribution and franchising can be used by the marketer to complement the other aspects of the marketing mix.⁸

2.1.5. Promotion Factors

Promotion Factors represents all of the methods of communication that a marketer may use to provide information to different parties about the product. Promotion comprises elements such as: advertising, public relations, personal selling and sales promotion.⁹

Advertising covers any communication that is paid for, from cinema commercials, radio and Internet advertisements through print media and billboards. Public relations is where the communication is not directly paid for and includes press releases, sponsorship deals, exhibitions, conferences, seminars or trade fairs and events. Word-of-mouth is any apparently informal communication about the product by ordinary individuals, satisfied customers or people specifically engaged to create word of mouth momentum. Sales staff often plays an important role in word of mouth and public relations.¹⁰

6 Needham, D. (1996). *Business for Higher Awards*. Oxford, England: Heinemann.

7 Ibid

8 Kerin, Hartley and Rudelius (2001). *Marketing, The Core*, 4th Edition, McGraw Hill Publishing.

9 Needham, D. (1996). *Business for Higher Awards*. Oxford, England: Heinemann.

10 Ibid

2.2. Branding

The birth of branding originates from the ancient times in the way of marking animals with the fire-heated marks to identify the owner of the animal in order to prevent stealing. The branding in the meaning of presenting a product was introduced in the 1950s by Neil Hosler McElroy, an American citizen from Ohio State in the United States who gave birth to the idea of brand management as he was working for the Procter & Gamble Company.¹¹ The aim was to counter the improvement of products quality levels of their competitors by giving their product an identity that would distinguish it from nearly indistinguishable competitors.

Hence, we come with the definition of a brand which is in fact an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique added values which match their needs most closely.¹²

The American Marketing Association defines a brand as a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers. The legal term for brand is trademark. A brand may identify one item, a family of items, or all items of that seller. If used for the firm as a whole, the preferred term is trade name.¹³

Scott M. Davis in his article about branding states that *“a brand is an end result. Branding is the process by which a brand comes to life. A brand is many, many things, but it is never an accident”*.¹⁴ He probably means, that branding is not a phenomenon, branding is a planned and strategic tool of management, where the highest target of managers is to bring a product or service to the point, that customers will seek for their product and will distinguish it from other products in favour of their product.

11 Armbruster, A (2006). Thank P&G's McElroy for TV Ad Model. *Television Week*, 25, 32, 16-17

12 De Chernatony, L. & McDonald, M. (1998). *Creating Powerful Brands*. 2nd Edition .Butterworth Heinemann. Oxford

13 The American Marketing Association: Dictionary, available at:

http://www.marketingpower.com/_layouts/Dictionary.aspx?dLetter=B, accessed on 15 August 2011

14 Davis, S. (2011). What is branding, anyway? available at:

http://media.wiley.com/product_data/excerpt/64/04712636/0471263664.pdf, accessed on 19 November 2011

2.2.1. The six components of branding

Branding is not merely a logo or a trademark. It is indeed the sum of several components that work together. These components widely accepted in literature are (1) brand identity, (2) brand image, (3) brand personality, (4) brand essence or soul, (5) brand character and (6) brand culture.¹⁵

Brand identity

*“Brand identity is a unique set of brand associations that the brand strategist aspires to create or maintain. These associations represent what the brand stands for and imply a promise to customers from the organization members”*¹⁶. Each actively managed brand needs a brand identity – a vision of how the brand should be perceived by its target audience. The brand identity is at the heart of the brand leadership program, because it is the vehicle that guides and inspires the brand-building program. If the brand identity is confused or ambiguous, there is little chance of brand building occurring.¹⁷

Brand image

A logo, or the font in which a brand is written, does not represent the brand image. These are brand features. The brand image is the idea, the mental picture, of a brand in customers’ mind. The set of customer perceptions and projected images of a brand produce inevitable associations with the brand itself.¹⁸ For instance Nike equals sport or Adidas equals challenge. The definition of brand image may be further extended as all feelings, memories, beliefs, and so on become linked to the brand.¹⁹

The process runs both ways, meaning that it is not just the brand that evokes some association, but anything can remind us of the brand. For example, a celebrity as Michael

¹⁵ Brandxpress.net: 6 Components of Branding, available at: <http://www.brandxpress.net/2005/11/6-components-of-branding/>, accessed on 11. august 2012

¹⁶ Aaker, D.A. (1996). *Building Strong Brands*. The Free Press. New York.

¹⁷ Aaker, D.A. and Joachimsthaler, E. (2000). *Brand Leadership*. The Free Press, New York.

¹⁸ Sheth, J.N. & Mittal, B. (2004). *Customer Behavior: A Managerial Perspective*. 2nd Edition. South-Western. Mason (USA)

¹⁹ Kotler, P., Keller, K.L., Brandy, M., Goodman, M. & Hansen, T. (2009). *Marketing Management*. Pearson Education Limited. Essex (UK)

Jordan immediately calls to our mind Nike, a prancing horse (or the color red) Ferrari cars, and so on.



*Figure 2: Air max Logo*²⁰

Brand personality

Brand-as-person reflects the brand's personality and brand-customer relationships. The brand can be seen as a person, which means that its attributes can be regarded as person's characteristics would. Brand personality plays an important role in defining the brand image and identity, as it generates part of the appeal of a brand by giving it "a character".²¹ Brand personality includes such attributes as gender, age, economic status and general personality traits such as warmth, compassion and sentimentality. It can help consumers express themselves by consuming and as such, drive sales.²² A brand personality can create a stronger brand in several ways. First it can create a self expressive vehicle that allows the customer to express his or her own personality. Second, the brand personality can be a basis for the relationship between the customer and the brand, e.g. Mercedes would be upscale, respected person, or Levi's would be rugged outdoor companion. Third, a brand personality can help communicate a product attribute and thus

²⁰ Hybrid Snicks Magazine (2009). 2010 Release – Air Jordan VI. Accessed 16 December 2012 <http://hybridsnick.wordpress.com/2009/10/08/2010-release-%E2%80%93-air-jordan-vi/>

²¹ Keller, K.L. (1993). "Conceptualizing, Measuring, and Managing Customer-Based Brand Equity", *Journal of Marketing*, Vol. 57 (January), pp.1-22

²² Aaker, D.A. (1996).

add to a functional benefit. The Michelin man's strong, energetic personality leads the customer to think that Michelin tires share those traits as well.²³

The features of a brand's personality can be affected with direct or indirect contact with the consumers. Figures that are close to the brand can be used to directly affect the brand imagery, such as the company chairman. Sponsoring well-known figures in e.g. sports can also be considered a direct way of affecting the brand personality, as the brand could thus be associated with the person's attributes. In 2004, David Beckham signed a £60 Million contract with Gillette, making him the most expensive face in Britain of all time. Only recently, after signing the contract, did Beckham's sexual escapades with his assistant come to publicity, but this did not bother Gillette, as they stated that the incident made the football star seem "less perfect" and more like anyone else, making him more human and easier to relate to. Perceptions of brand personality can be affected indirectly with the use of product attributes, symbols, logos, brand name, price, or distribution channels.²⁴

Brand essence (brand soul)

It is a single thought that captures the soul of the brand. It is not always feasible to create a brand essence, but it can often be a powerful communications tool.²⁵

The brand essence does not merely string the key core identity elements together, as that would provide little extra value, but instead creates a slightly altered perspective that captures most of what the brand stands for. The brand essence can be seen as a hub around which the core identity revolves. The brand essence should have several characteristics: it should resonate with customers and drive the value proposition. It should be ownable and provide differentiation from competitors that lasts over time. Moreover, it should energize and inspire employees and partners of the organization.²⁶

²³ Ibid

²⁴ Batra, R., Lehman, D and Singh, D. (1993). "The brand personality component of Brand Goodwill: Some Antecedents and Consequences", in *Brand Equity and Advertising*, Aaker, D.A., ed.; Lawrence Erlbaum, Hillsdale, New Jersey.

²⁵ Aaker, D.A. and Joachimsthaler, E. (2000). "Brand Leadership", The Free Press, New York.

²⁶ Ibid

Strong brand essence statements usually have multiple interpretations that give them extra depth.²⁷ For instance, L'Oréal's "Because you're worth it" (or "Parce que vous le valez bien" in French). (L'Oréal) communicates the idea that despite the cosmetic industry's glamorous image, they feel that every person is entitled to enjoy the experience of feeling beautiful and glamorous, and that the company commits to the customers' satisfaction and gives them credit for their patronage.

Brand essence is not the same as a tagline or slogan. Whereas slogans are chosen for the purpose of sounding good, brand essence's meaning lies in its timelessness; making a good slogan out of it is second in value. Furthermore, a brand essence should be relevant across markets, something that a simple slogan can rarely achieve.²⁸

Brand character

*It is related to its internal constitution, how it is perceived in terms of integrity, trustworthiness and honesty. This is also related with the promise of the brand to deliver the experience associated with its name.*²⁹ Brand character stems from understanding the market so well that the brand starts to actually embody the traits that the customers hope to see in it. A good example is the car brand BMW or Mercedes-Benz, which tries to raise awareness as luxury cars, or Skoda and Volkswagen as cars for people, which are smart and clever.

Brand culture

It is about the system of values that surround a brand much like the cultural aspects of a people or a country; there is a social and/or emotional identification with the brand itself. The customers in this instance move from to use, to experience and to enjoy the brand. They become emotionally involved with the brand and they start to see it as an integrant part of themselves and their lives.³⁰ From the sport's background, one of the most recognized brands is the Olympic rings, which tries to promote the Olympic values such as

²⁷ Ibid

²⁸ Ibid

²⁹ Brandxpress.net: 6 Components of Branding, available at: <http://www.brandxpress.net/2005/11/6-components-of-branding/>, accessed on 11. august 2012

³⁰ Sheth, J.N. & Mittal, B. (2004). Customer Behavior: A Managerial Prospective. 2nd Edition. South-Western. Mason (USA)

Joy of effort, Fair Play, Respect for others, Pursuit of excellence and Balance between the body, will and mind as the world culture.

2.2.2. Corporate identity

Businessdictionary.com defines that „*corporate identity is a combination of **color schemes, designs, words, etc.**, that a firm employs to make a visual statement about itself and to communicate its business philosophy. It is an enduring **symbol** of how a firm views itself, how it wishes to be viewed by others, and how others recognize and remember it. Unlike corporate image (which is 'in there' changeable mental impression), corporate identity is 'out there' sensory-experience conveyed by things such as **buildings, décor, logo, name, slogan, stationery, uniforms**, and is largely unaffected by its financial performance and ups and downs in its fortunes. Corporate-identity is either **strong or weak** (not positive, negative, or neutral like a corporate image) and is more or less permanent unless changed deliberately.*

The identity of Apple computer for example (conveyed by its name and multicolored bitten-off-apple logo) as an innovative and pathbreaking firm has survived almost intact over about 30 years. But its image as a successful business has dimmed and brightened several times during the same period.“³¹

Corporate identity in other words is creating the whole spectrum of what we can perceive with our senses as sight or hearing and with our feelings such as like or dislike what is a very famous utility on social networks. Corporate identity tries to define the justness of existence and it is a very powerful and an integral part of the branding strategy. *Apple computer*, which was mentioned above has become the # 1 brand in the world in 2012. The top 10 companies with the strongest brands include *Google, Microsoft, IBM, Walmart, Samsung, GE, Coca-Cola, Vodafone and Amazon.com*.³² In the top 10 are 8 companies from the USA, in the top 20 are 14 of them from USA. This shows that the American brands are very successful in their brand strategies.

³¹ businessdictionary.com: corporate identity, available at:

<http://www.businessdictionary.com/definition/corporate-identity.html>, accessed on 14. August 2012

³² Brandirectory: Global 500 2012, available at: http://brandirectory.com/league_tables/table/global-500-2012, accessed on 12. August 2012

Corporate identity helps to companies to define their businesses and to deal with the answers on the questions like whom represents and serves the company and what is the purpose of existence of the particular company.

There are four key brand claims that are essential in order to create a successful corporate identity strategy.

Differentiation is the first requirement, where a company should find its own playground and differentiate from its competitors. It is nearly impossible in such a turbulent environment as it is nowadays to address their marketing message to all customers. That is an important part, where a company tries to find their customers, speak to them, convince them with its product or service and possibly to make life-long customers from them.

Relevance is the second requirement, where particular brand needs to find out, what are people interested in and what is the most important thing for them. It is also a story of one french chemist who found out, that the thing, what people want the most is to look young and beautiful as long as possible. Later on, he has built on this idea one of the most successful company in cosmetics and beauty business called L'Oréal.

Coherence is the third requirement and means that brands must be coherent in what they declare and what they perform actually later. There could not be contrast but harmony in what they say with all their messages and finally what the customers will get as their final product. It has to be the same. The unwritten contract between a company and its customers has to be fulfilled in order to fill up the need of meaningfulness.

Esteem as the fourth requirement shows that a brand that reached all the three requirements above will get a rewarded respect from its surroundings. Esteem is something what companies build during ages and if it's present on the market for a certain time, it represents a promise to the customers that they are here for them whatever happens and will keep the pace in the same direction.

2.2.3. Visual identity

*Visual identity are the visible elements of a brand, such as color, form, and shape, which encapsulate and convey the symbolic meanings that cannot be imparted through words alone. In a broader (corporate) sense, it may include elements such as building architecture, color schemes, and dress code.*³³

In our case of branded running shoes, Nike is well known for its swoosh logo as well as Adidas for its three parallel stripes.



Figure 3: Adidas Three parallel Stripes logo and Nike swoosh logo

2.2.4. New Criteria for Market Segmentation

In 1964, in the “New Criteria for Market Segmentation,” Daniel Yankelovich asserted that traditional demographic traits such as age, sex, education levels, and income were no more sufficient to provide a platform for marketing strategy. Non-demographic traits such as values, tastes, and preferences were more liable to have an influence on the consumers’ purchases rather than their demographic traits.³⁴

Sound marketing strategy depended on identifying segments that were potentially accessible to a particular brand and product category.³⁵

This raised the question about building a brand and to focus on the new criteria such as values, tastes and preferences that represent the attitudes of customers.

³³ businessdictionary.com: visual identity, available at: <http://www.businessdictionary.com/definition/visual-identity.html>, accessed on 14. August 2012

³⁴ Yankelovich, D., Meer, D. (2006). Rediscovering Market Segmentation, *Harvard Business Review*, February 2006, p. 124

³⁵ Ibid

Companies started to convince particular groups of consumers that their product was perfect for them as they placed in the advertising message a person whom they resembled or wished they did. Another way was to emphasize the emotional rather than the functional benefits that products offered – pride of ownership, increased status or sex appeal.

In 1978, Arnold Mitchell and his colleagues at the Stanford Research Institute launched the **Values, Attitudes and Lifestyles (VALS) program**, a commercial research service. VALS drew on frameworks developed by Harvard sociologist David Riesman and psychologist Abraham Maslow, who is the inventor of the hierarchy of needs.

VALS classified individuals, mostly adult American consumers according to nine enduring psychological types: survivors (4%), sustainers (7%), belongers (35%), emulators (9%), achievers (22%), I-am-me (5%), experiential (7%), societally conscious (9%), and integrated (2%).³⁶

2.2.5. VALS Framework and Segment³⁷

There are two dimensions of the VALS framework as it is shown in figure 1:

Vertical dimension, where customers are segmented according to the degree of innovation and their resources such as income, education, self-confidence, intelligence, leadership skills, and energy.

Horizontal dimension, where customers belong to three types of their motivation:

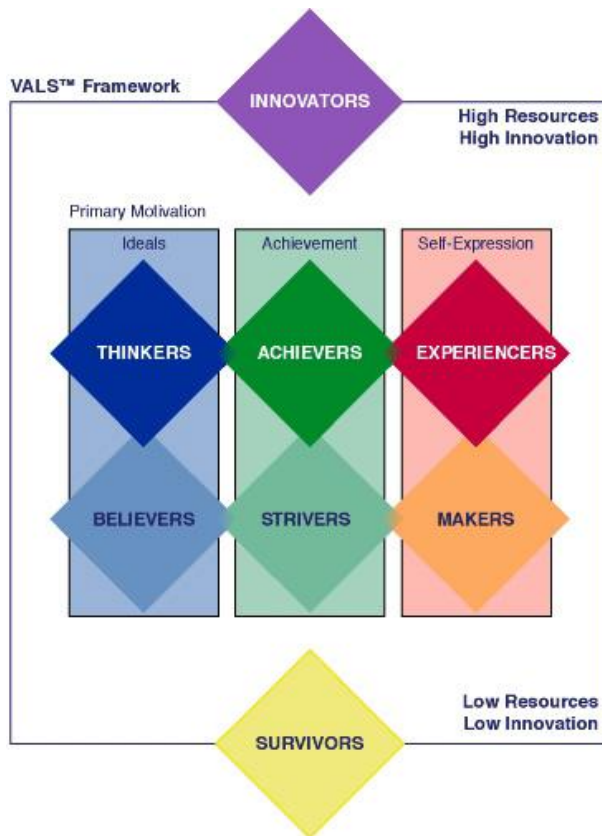
1. consumers motivated by ideals (Thinkers and Believers)
2. consumers motivated by achievement (Achievers and Strivers)
3. consumers motivated by self-expression (Experiencers and Makers)

³⁶ Beatty, Sharon E.; Pamela M. Homer, Lynn R. Kahle (1988). "Problems with VALS in international marketing research: an example from an application of the empirical mirror technique". *Advances in Consumer Research*. 15: 375–380

³⁷ VALS Framework, available at:

<http://cla.calpoly.edu/legacies/rsimon/rsimonsite/Hum410/VALS%20Advertising%20Theory.htm>, accessed on 12. August 2012

At the top are the Innovators, who have such high resources that they could have any of the three primary motivations. At the bottom are the Survivors, who are satisfied and don't have any strong motivation of the three types mentioned above.



*Figure 4: VALS Framework*³⁸

Innovators are on the top of this VALS program, because they have the highest incomes and have also the other features of innovators. They want to look and be independent and they are always looking for the finest choice in their purchase.

Thinkers are consumers motivated by ideals and have rich resources. As they are called, they think about their purchases and try to find the best decision why they buy goods and services. They are full-grown, well-educated and responsible and practical individuals, but also open minded and able to change.

³⁸ Ibid

Believers are also as thinkers driven by ideals but on the other side they don't have such rich resources. These features predict their consumer behaviour as conservative and they stick mostly with their favourite products and well established brands. They usually live in their communities and families.

Achievers are a consumer group motivated by achievement and have rich resources. Customers are mostly successful people oriented on their work and fulfilled by their jobs and families. They tend to buy established products and services that show off their success.

Strivers are consumer group motivated by achievement with low-resources. Because of their lower economic, social, and psychological resources, the most important is their style in following their role models and competing with them.

Experiencers are consumer group motivated by self-expression and have rich resources. They are usually young people with an average age of 25. These young people have a lot of energy widely used in physical exercises and social activities. They usually tend to spend their resources on clothing, fast-foods, music, and other "cool" products and services with a goal on new products and services.

Makers are consumer group motivated by self-expression but with low-resources. They are practical people with a common sense, focused on family, work, material safety, physical recreation-and are interested what's going on in the world. They tend to practical and functional products.

Survivors from all other groups mentioned above have the lowest incomes. They have too few resources and are the oldest of all the segments, with an average age of 61. Within their limitations, they tend to be brand-loyal consumers.

Consumers are seeking products and services they think will save them time, effort, and money. Soumya Saha, Munmun Dey and Sumanta Bhattacharyya in their case study stated that the footwear industry is an important segment of the (leather) industry in India. Therefore, there are many small manufacturers (unbranded) who cater to the needs of the lower income segment. For the needs of the higher income group we have brands like

Woodlands, Mochi, Reebok, Nike and Adidas.³⁹ According to this statement, Reebok, Nike and Adidas that manufacture running shoes (sports shoes) are among the main players of shoes in India. Their study attempts to identify the various factors that influence the purchase decision of individuals. As they declare, “*shoes are necessities, and hence, are purchased by people of all income segments.*”⁴⁰

The study carried out by Soumya Saha, Munmun Dey and Sumanta Bhattacharyya considered the influence of numerous factors on the customers on the basis of importance assigned to them by the eventual clients. Actually, identification of the factors helps businesses to tailor their marketing and manufacturing efforts to take advantage of these influences in a way that will satisfy both the consumers and the marketers. Their study helped companies to deeply understand the consumer behaviour thus enabling them to formulate effective strategies and helping them to develop the company and the industry in large.

39 Saha, S., et al (2010). Factors Affecting Consumer Buying Behaviour of Shoes in Kolkata: A Case Study, *The IUP Journal of Management Research*, 9, 4, 39 - 40

40 Ibid

2.3. Consumer Behaviour: The Psychology of Marketing

“Consumer behaviour is an action (*behaviour*) undertaken by people (*consumers*) that involve the satisfaction of wants and needs. Such actions often, but not always, involve the acquisition (*purchase*) of goods and services through markets. The study of consumer behaviour is fundamental to the understanding of the demand-side of the market. From a marketing perspective, the patterns, actions or steps in the process of decision making by consumers. The decision making process is influenced by various attitudes, motives, and social influences on the purchaser. Buyers tend to behave in certain ways including habits, brand loyalty, and post purchase behaviour.”⁴¹

Another definition for consumer behaviour is how individuals spend their available resources on consumption-related items. It includes the study of what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, and how often they use it.⁴²

The stimulus-response model is the simplest model of the consumer buying behaviour. According to this model, the marketing stimuli (i.e., the 4 Ps) and the other major forces (economic, political, technological and cultural) always have a great impact on the buying behaviour.⁴³

Social factors can also indeed play a decisive role in the consumer buying behaviour. Buyers are influenced by the reference groups, family members, etc.⁴⁴ The Consumer’s buying behaviour may also depend on personal factors like age, gender, education, lifestyle, personality, and income that are major factors in people’s ability to buy products or to use a service.⁴⁵

At the base of all consumer behaviour, we find what we can call motivation. Motivation is a need that is sufficiently pressing to drive a person to act.⁴⁶ It is a

⁴¹ Economic Glossary: Economic Definition of consumer behaviour, available at: <http://glossary.econguru.com/economic-term/consumer+behaviour>, accessed on 27. November 2011

⁴² Schiffman and Kanuk (1997)

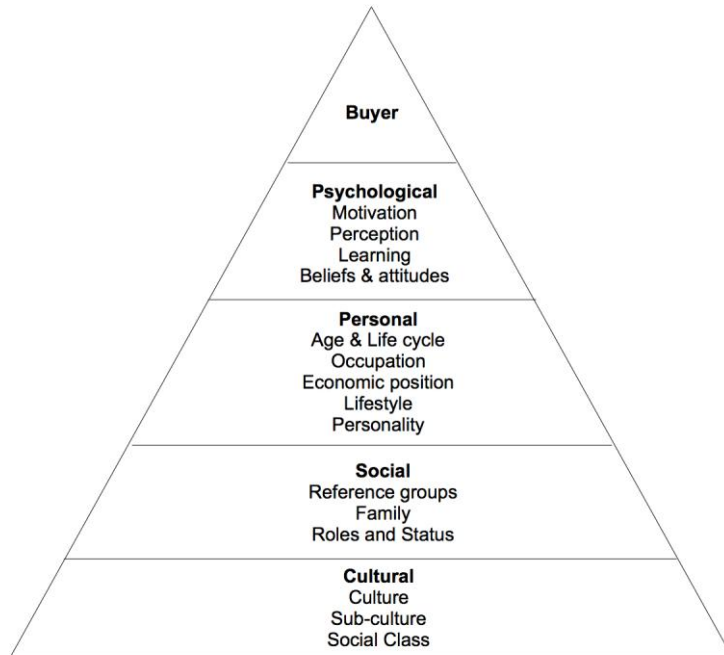
⁴³ Blackwell, R., *et al.*, (2001). *Consumer Behavior*. 9th ed. Orlando: Harcourt.

⁴⁴ Howard, J. A., *et al.*, (1969). *The Theory of Buyer Behaviour*. London: John Wiley and Sons, Inc.

⁴⁵ *Ibid*

⁴⁶ Kotler, P. & Keller, K. (2006). *Marketing Management 12e*. New Jersey: Prentice Hall.

combination of motives. A motive is generated from unsatisfied need, which causes stress. Therefore, needs are determining parts of a motivation.



*Figure 5: Customer buying factors*⁴⁷

⁴⁷ Riley, J. (2012). *Buyer behaviour – Stimulus-response model*, available at: <http://tutor2u.net/buyer-behaviour-stimulus-response-Model.htm>, accessed on 18. September 2012

Figure 6 below shows the consumer behaviour motives, where consumer purchasing behaviour is influenced by marketing influences, environmental influences, individual influences and psychological influences. Purchasing decision is made based on a combination of all these factors.

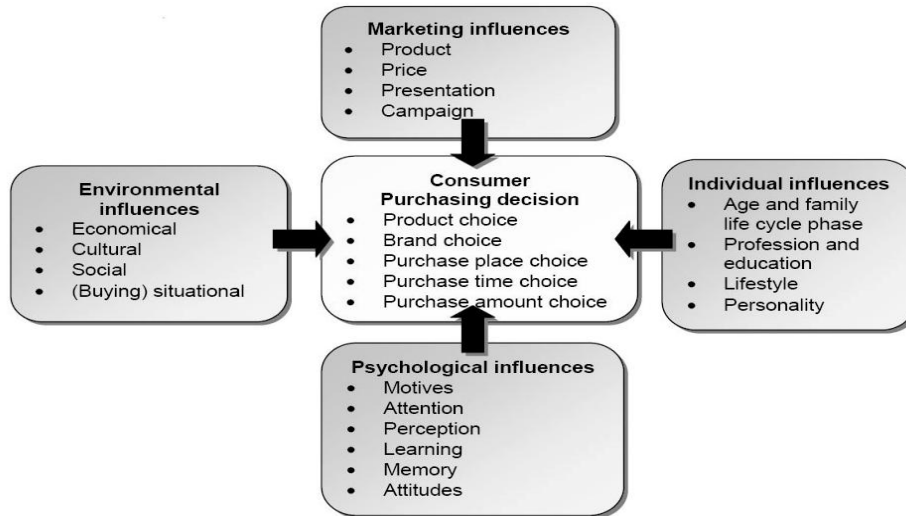


Figure 6: Consumer behaviour motives ⁴⁸

Furthermore, purchasing needs may be motivated emotionally or rationally. ⁴⁹ Emotional needs are associated with feelings, attitudes and wishes; whereas rational motives are associated with the expediency (see Table 1).

Emotional purchasing motives	Rational purchasing motives
<ul style="list-style-type: none"> • Prestige • Individuality • Stylish design • Fashionable colour • Similarity • Creative • Fun • Love • Hate • Fear 	<ul style="list-style-type: none"> • Economical • Prudent • Low price • Suitable product functions • Persistent • Easily maintained • World famous brand • Work steady • Comfortable

Table 1: Emotional and rational purchasing motives ⁵⁰

⁴⁸ Lutter, J. (2012). *Consumer behaviour during investment gold purchase in comparison to other investment instruments*, available at: www.tavid.ee/popFile.php?file=40, accessed on 3. March 2012

⁴⁹ Ibid

It is very often questioned of feelings when dealing with consumer relationship generation and development. Behind a rational decision there are often loads of emotions. Consumers make rational decisions more easily as they can explain them to themselves better than emotional purchases. However, this does not mean that there are more rational purchases in general. Consumer behaviour is not rational and most purchasing decisions are emotionally motivated.⁵¹

It is quite an interesting phenomenon to see how consumers can stay quite rational when decisions are in regard to other people. However when the decisions concern themselves personally, emotions play a big deal then.

While there are similarities in how consumers go through the purchasing process, there are also differences in people's behaviour while purchasing. Every personality type is associated with consumer behaviour specific to that individual. How do they receive new products, how do they decide on a product and a brand, how do they feel about advertising and special offers, a brand loyalty, the contact with sales personnel, role models' and comparison group's influence, purchasing behaviour – all this is unique in every individual. Learning the different types and recognizing who your customers are, helps a company to serve their clients better.

Studies have shown that consumers buy things that lift their self feeling and bring them closer to the ideal image they make for themselves (clothing, make-up, fitness products).⁵²

2.3.1. Definition of consumer motivation from a view of a sports fan

Irving Rein, Philip Kotler and Ben Shields in the book, "The Elusive Fan", say competition among sports brands for market share is increasingly intense because of

⁵⁰ Lutter, J. (2012). *Consumer behaviour during investment gold purchase in comparison to other investment instruments*, available at: www.tavid.ee/popFile.php?file=40, accessed on 3. March 2012

⁵¹ Ibid

⁵² Ibid,

fragmentation.⁵³ They believe there are six distinct sports sectors vying for fans' attention. These are namely:

1. Older sports (such as European soccer and Major League Baseball).
2. Re-emerging older sports (such as cricket, rugby and golf).
3. School sports (high schools, youth development teams and the like).
4. New sports (extreme sports and paintball, for example).
5. Declining older sports (such as boxing and horse racing).
6. Sporting goods (including team merchandise and sports equipment).⁵⁴

As a fan of sports, whether actors or spectators, we can without advancing too far, say that people do identify themselves to a particular product of a given brand.

2.3.2. Decision Making Processes

The consumer information processing model⁵⁵

Consumer researchers have approached the decision making process from a rational perspective. This dominant school of thought views consumers as being cognitive (i.e., problem-solving) and emotional.

⁵³ Silverstein, B. (2011). *How Sports Brands Create Brand Fanatics*, available at: http://www.brandchannel.com/features_effect.asp?pf_id=490, accessed on 21 February 2011

⁵⁴ Ibid

⁵⁵ Matsuno, K. (1997). Note on Consumer Decision Making Processes. Babson College

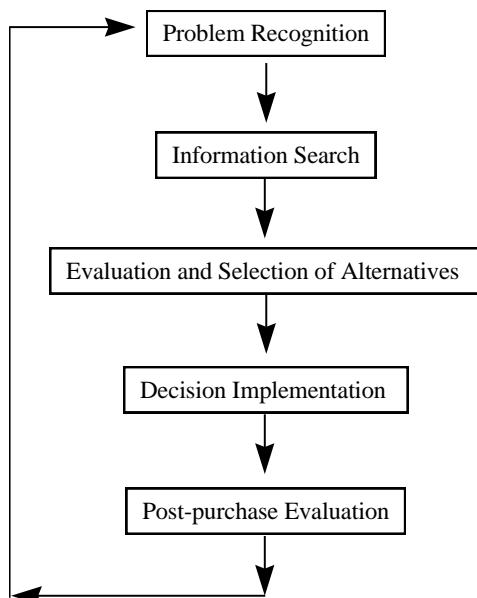


Figure 7: The Consumer Information Processing Model

The consumer usually passes through five stages: problem recognition, information search, evaluation and selection of alternatives, decision implementation, and post-purchase evaluation. Let's take a closer look at each stage.

Problem Recognition

In this information processing model, the consumer buying process begins when the buyer recognizes a problem or a need. Let's fit this on our issue when our customer has found out that his running shoes are no more suitable for running, they are worn out or are dirty and he needs another pair of shoes in order to continue training. When a consumer found out a difference between an actual state and a desired state, a problem is recognized. When we find a problem, we usually try to solve the problem. In other words, we recognize the need to solve the problem.

Information Search

When a consumer discovers a problem, then he is likely to search for more information. Our customer pays more attention to product information of running shoes. A consumer becomes more attentive to shoes ads, running shoes purchased by friends, and peer conversations about running shoes or may seek information more actively by visiting

stores, talking to friends, or reading sports/running magazines, among others. Through gathering information, the consumer learns more about some brands that compete in the market and their features and characteristics. Theoretically, there is a total set of brands available, but the consumer will become aware of only a subset of the brands (**awareness set**) in the market. Some of these brands may satisfy consumer's initial buying criteria, such as price and design or colour (**consideration set**). As the consumer proceeds to the more information search, only a few of brands will remain as strong candidates (**choice set**).

Evaluation and Selection of Alternatives

One dominant view is to see the evaluation process as being cognitive-driven and rational. Under this view, a consumer is trying to solve the problem and ultimately satisfying his/her own need. In other words, the consumer will look for problem-solving benefits of the product. Then, the consumer looks for products with a certain set of attributes that deliver the benefits. The distinctions among the needs, benefits, and attributes are very important.

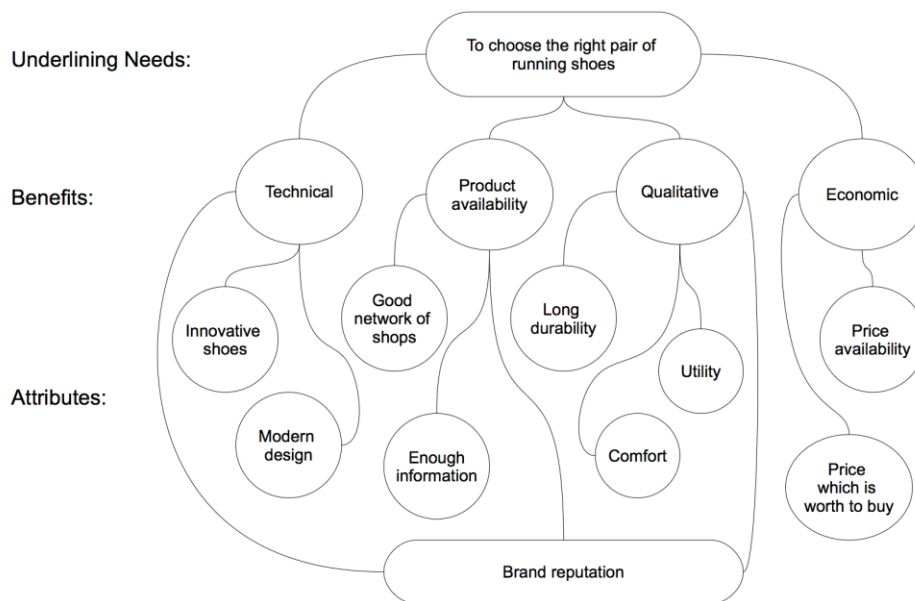


Figure 8: Hierarchical View of Needs, Benefits, and Attributes ⁵⁶

56 Created by the author

It is important to mention, that the product attributes are relevant and significant only when they lead to a certain set of advantages, i.e. benefits are meaningful only if they can address the problem and be influential to satisfy the underlying need.⁵⁷

Hence, we can deduce that there are various personal needs as well as consumers' beliefs about what product benefits and attributes are more (or less) important and relevant. According to their personal judgment on importance of benefits and attributes, consumers develop a set of attitudes (or preferences) toward the various brands he is exposed to.

Decision Implementation

To implement the purchase decision, the consumer needs to select specific items (brands) and specific outlets (where to buy) to resolve his problems. In fact, there are three ways how these decisions can be made:

1. Simultaneously
2. Item first, outlet second
3. Outlet first, item second⁵⁸

Once a brand and an outlet have been decided, the consumer moves to the next step that is buying.

Post-purchase Evaluation

Post-purchase evaluation processes are directly influenced by the level of purchase involvement of the consumer. Purchase involvement is often referred to as “the level of concern or interest in the purchase” situation, and it determines how extensively the consumer searches information in making a purchase decision.⁵⁹ Purchase involvement is viewed as a continuum (from low to high). Buying a bar of chocolate is a very low purchase involvement situation and that's why the consumer doesn't search and evaluate this product information extensively. The consumer would simply purchase, consume the

57 Matsuno, K. (1997). *Note on Consumer Decision Making Processes*. Babson College

58 Hawkins, Del I., R. J. Best, and K. A. Coney (1983), *Consumer Behavior: Implications for Marketing Strategy*, Plano, Texas: Business Publications Inc.

59 Ibid

product with very limited post-purchase evaluation with a very high level of repeat purchase motivation.

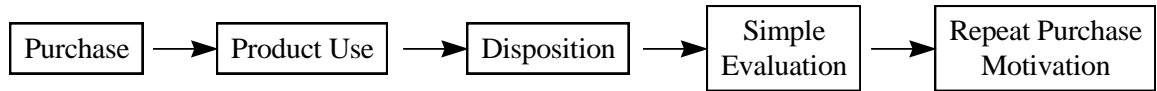


Figure 9: Low Involvement Purchase ⁶⁰

But if the purchase involvement is high and the consumer is involved in extensive purchase decision making (e.g. a personal computer), the consumer is more likely to be involved in a post-purchase evaluation with asking to oneself about the rightness of the decision with doubts about the right choice or brand.

This is a common reaction after making a difficult, complex, relatively permanent decision. This type of doubt and anxiety is referred to as post-purchase cognitive dissonance. ⁶¹

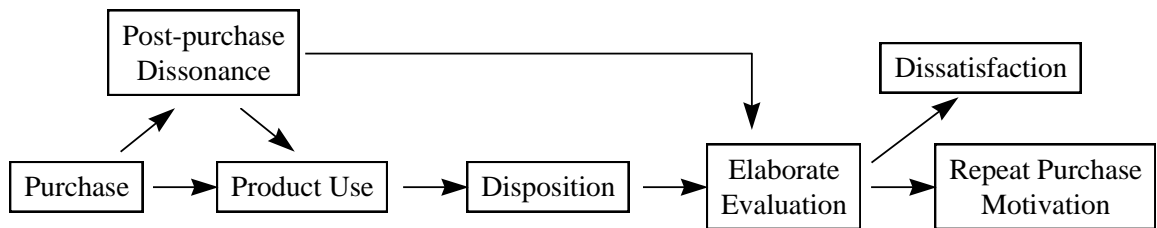


Figure 10: Elaborate Post-purchase Evaluation ⁶²

⁶⁰ Ibid

⁶¹ Matsuno, K. (1997). *Note on Consumer Decision Making Processes*. Babson College

⁶² Hawkins, Del I., R. J. Best, and K. A. Coney (1983), *Consumer Behavior: Implications for Marketing Strategy*, Plano, Texas: Business Publications Inc.

2.3.3. The Hierarchy of Effects Model

The hierarchy of effects model is another model in marketing that explains consumer decision making process.

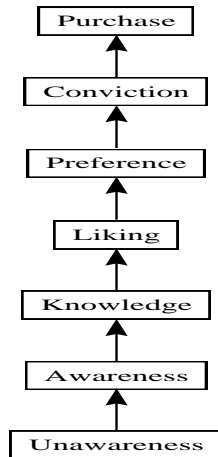


Figure 11: A General Model of the Hierarchy of Effects ⁶³

The basic idea is the same: people experience a sequence of psychological stages before purchasing a product. The hierarchy of effects model focuses on a consumer's learning after getting information from the external world. The model has six - seven stages.

Unawareness

The model begins with the state where a consumer has no awareness about the brand. This is in some sources not count as a stage, but as a fact. ⁶⁴

Awareness

A company tried to address an advertising message to the consumers using different informational canals.

Knowledge

As a consumer obtains and get more information, he slowly develops more specific knowledge about the brand, compares it with other brands on the market.

⁶³ DeLozier, M. (1976). *The Marketing Communications Process*, New York: McGraw-Hill, Inc.

⁶⁴ Ibid

Liking

The knowledge is later used as the basis to form a liking (or disliking) a product or a brand. The consumer is influenced by own feelings.

Preference

It leads to the preference of a brand relative to the others. The preference stage only means that the consumer has formed a preference psychologically. A company must try to build consumer's preference by promoting quality, value, performance and other features.⁶⁵

Conviction

In this stage people need to be pushed beyond the preference stage to actually buy the brand of their preference.⁶⁶ It is a company's job to transform preference into conviction.

Purchase

Purchase is the actual result of a consumer decision making process and the final step.⁶⁷ The consumer sometimes can to be motivated by lower price in order to buy a product.

65 Ibid

66 Ibid

67 Ibid

2.4. Sport brands oriented on running shoes

In order to capture all big brands selling running shoes we tried to involve into this group also brands that are not very known in the customer awareness even if they are top among running shoes and are on the market around one hundred years. So as brands in our study we have Adidas, Asics, Mizuno, New Balance, Nike, Puma, Reebok, Salomon and Saucony. There are also other new or older brands, but it is not the aim of this research and the respondents will be not very familiar with most of the brands as Brooks, K-Swiss or others. In the following pages we shall try to describe each of the nine brands mentioned above with the available sources, findings and their common connections.

2.4.1. Adidas

Adidas is a company that manufactures shoes and sport apparel. The founder is Adolf Dassler who was German. The name was created by combination of the name and surname Adi Dassler, who started producing shoes in 1920s with the help of his brother Rudolf Dassler.⁶⁸ To recognize Adidas, there are three parallel stripes of the same colour. Its slogan is “Impossible is nothing”.



*Figure 12: The Adidas brand Logo*⁶⁹

Adidas group produces sportswear and sports equipment. It offers its products through three brands, including Adidas, TaylorMade-Adidas Golf, and Reebok. The

⁶⁸ Adidas. (2011). *Retail Strategy*. Retrieved November 2, 2011, from Adidas Group: http://www.adidas-group.com/en/investorrelations/strategy/global_sales/retail/default.aspx
⁶⁹ Photobucket Website. Pictures Gallery Accessed 4 January May 2013
<http://photobucket.com/images/>

company operates in Europe, the Americas and Asia and its headquarter is in Herzogenaurach in Germany.⁷⁰

In 1990, due to the death of Adolf's son Horst Dassler, the Company was bought by Bernard Tapie.⁷¹ The next step was to change the place of production to Asia and make a promotion campaign by using a famous person as Madonna.⁷² In 1992 economical problems lead Tapie to sell Adidas to Lyonnais bank. Lyonnais sold Adidas to Robert Louis-Dreyfus who was also the president of the Olympique de Marseille football team.⁷³ In 1997, Adidas AG acquired the Salomon Group, and its corporate name was changed to Adidas-Salomon AG.⁷⁴ In 2005 Adidas introduced the Adidas 1, the first ever production shoe to utilize a microprocessor.

In August 2005, Adidas bought rival Reebok. The acquisition of Reebok allowed Adidas to compete with Nike worldwide as the number two athletic shoemaker in the world. In April 2006, Adidas announced an 11-year deal to become the official NBA apparel provider.⁷⁵

Adidas Group wants to build the Group's multi-brand on its history and values as a unique DNAs. Adidas Sports Performance will be focused more on performance and the personal bests of Adidas consumers, the other sub-brands as Adidas Originals and Sport Style will focus on heritage and design in order to capture further potential in sports lifestyle and fashion markets.⁷⁶

Reebok, in contrast will focus on fitness in order to fulfill the message "fit for life". Innovation at the brand enable consumers to train at their best every day, whether they are

⁷⁰ Adidas: Global brand strategy, available at: http://www.Adidas-group.com/en/investorrelations/strategy/global_brands/default.aspx , accessed on 6. may 2012

⁷¹ Datamonitor: Adidas AG, Company Profile, publication Date: 2 Sep 2011, available at: www.datamonitor.com, accessed on 27. may 2012

⁷² Ibid

⁷³ Ibid

⁷⁴ Ibid

⁷⁵ Adidas SWOT/PEST, available at: <http://www.scribd.com/doc/28013964/Adidas-PEST-SWOT-analysis>, accessed on 6. may 2012

⁷⁶ Adidas: Global brand strategy, available at: http://www.Adidas-group.com/en/investorrelations/strategy/global_brands/default.aspx , accessed on 6. may 2012

running to keep fit, exercising in the gym or participating in other fitness activities.⁷⁷
 Reebok Classics will focus on the lifestyle segment.

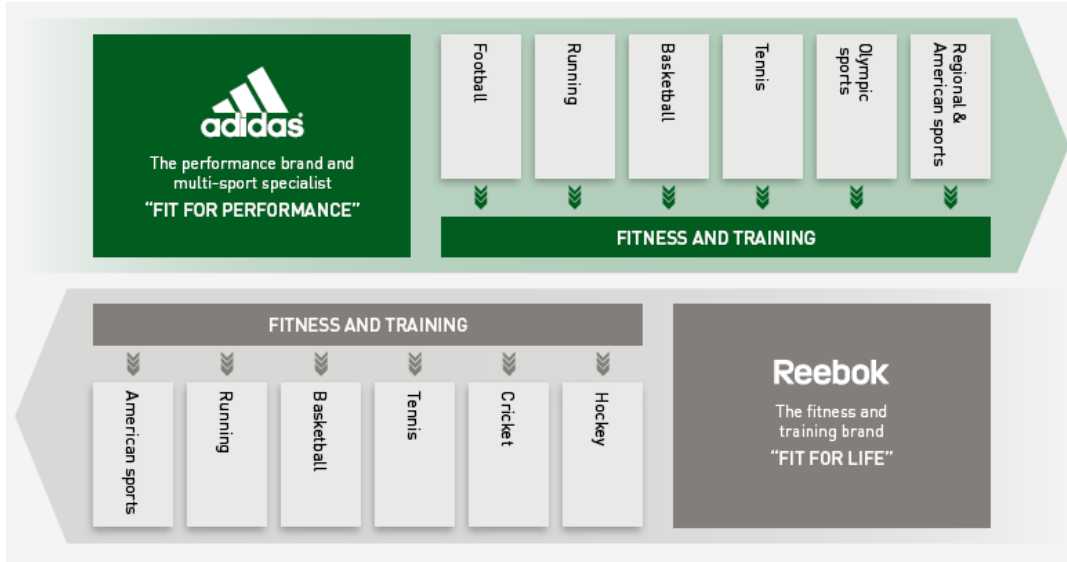


Figure 13: Adidas-Reebok brand differentiation⁷⁸



Figure 14: Chart of all the brands gathered under the roof of the Adidas Group⁷⁹

⁷⁷ Ibid

⁷⁸ Adidas Group: Annual Report 2010

Adidas SWOT Analysis^{80 81 82}

Strengths

- World wide presence in 200 countries
- Long List of Product line (for example Football, Running, Basketball)
- Focus on performance development and Technology development
- Sponsorship to various sports and events like Olympics, Streetball, Soccer, Tennis
- Brand reputation in achieving sports performance products
- The largest market share in Europe
- Strong management team
- Brand recognition and reputation
- Diversity and variety in products offered on the web
- Strong control over its own distribution channel
- No bad reputation like child labour or environment pollution

Weaknesses

- Limited exposure to U.S. market
- Limited budget allocation to advertisement
- Few influential athletes in Brand Ambassador portfolio
- Poor customer service
- High prices in some products
- E-commerce is limited to USA
- The direct sale to consumers is creating conflicts with its own resellers

Opportunities

- Great opportunity to expand international market (Retail outlet, E-commerce)

⁷⁹ Adidas – the story of a logo, available at: <http://www.Adidas-group.com/en/ourgroup/assets/History/pdfs/logohistory-e.pdf>, p. 4, accessed on 6 May 2012

⁸⁰ Ibid

⁸¹ Case Study on Adidas, ITM, Hkarghar, Navi Mumbai, available at: <http://www.scribd.com/shravan.bhumkar/d/32211639-Adidas>, accessed on 6.may 2012

⁸² Datamonitor: Adidas AG, Company Profile, publication Date: 2 Sep 2011, available at: www.datamonitor.com, accessed on 27. may 2012

- Positive and increasing market trends can increase through the effective advertising (for Technology driven products)
- Increase endorsement programs
- Tie up with local market player to boost the sale-volume
- Increase female participation in athletics
- Adidas by Stella McCartney
- Collaborate with other online retailers to offer Adidas products

Threats

- Adidas larger competitor Nike has a greater market share and a bigger budget in marketing activity
- Negative image created by sponsored athletes (for example Kobe Bryant and his sexual assault case)
- Increase in the price of raw materials
- Continuing challenges in import/export duties
- Global economic crisis
- Exposure to foreign markets makes Adidas susceptible to foreign currency fluctuations

2.4.2. Reebok

Reebok's United Kingdom-based ancestor company was founded in the 1890s, when Joseph William Foster made some of the first known running shoes with spikes in them.⁸³ He was in business making shoes by hand for top runners later known as J.W. Foster and Sons company.⁸⁴ In 1958, two of the founder's grandsons started a companion company that came to be known as Reebok, named for an African gazelle.⁸⁵



⁸³ Reebok. (2012). *Reebok History.*, available at:

Corporate.reebok.com: http://corporate.reebok.com/en/reebok_history/default.asp, accessed on 24 December 2012

⁸⁴ Ibid

⁸⁵ Ibid

Reebok is a global company engaged primarily in the design and marketing of sports and fitness products, including footwear and apparel, as well as the design and marketing of footwear and apparel for non-athletic "casual" use. The Company has three major business groups: the Reebok Division, the Greg Norman Division, and The Rockport Company.⁸⁶

The Reebok Division designs, produces and markets sports and fitness footwear, apparel and accessories, as well as related sports and fitness products, which combine the attributes of athletic performance and style. The Division's products include footwear for basketball, running, soccer, rugby, tennis, golf, track and field, volleyball, football, baseball, aerobics, cross training, outdoor and walking activities, as well as athletic apparel and accessories. The Division continues to expand its product scope through the development and marketing of related sports and fitness products and services, such as sports and fitness videos and programming, and through its strategic licensing program, pursuant to which the Company's technologies and trademarks are licensed to third parties for fitness equipment, sporting goods and related products and services.

The Reebok Division has targeted as its primary customer base athletes and others who believe that technical and other performance features are the critical attributes of athletic footwear and apparel. Reebok has gained increased visibility on playing fields worldwide through endorsement arrangements with such prominent athletes as basketball player Allen Iverson and with various sports and event sponsorships.⁸⁷ In 1998 the Reebok Division intends to focus its efforts on the performance of its products and its proprietary technologies, and on bringing its message, both product and brand essence, directly to the consumer.⁸⁸

The Reebok Division devotes significant resources to advertising its products to a variety of audiences through television, radio and print media and utilizes its relationships with major sports figures in a variety of sports to maintain and enhance visibility for the REEBOK brand. The major advertising campaigns in 1997 included an ad campaign

⁸⁶ Ibid

⁸⁷ Tufts University. (2006). *Athletic Footwear*. Medford: Tufts University.

⁸⁸ Ibid

featuring real-life portraits of rookies Allen Iverson of the National Basketball League and Saudia Roundtree of the American Basketball League depicting their adjustment to professional sports, as well as real-life portraits of Reebok endorsers Shawn Kemp and Shaquille O'Neal.⁸⁹

In 1997 the Reebok Division also continued its promotional efforts in the fitness area. Reebok fitness programming is featured on Fit TV, a 24-hour cable network, pursuant to a programming agreement. Through an agreement with Channel One Communications, in 1997 Reebok provided the programming for P.E.TV, an award-winning program designed to educate kids about physical fitness.⁹⁰ Reebok has developed numerous fitness programs such as its Versa Training program, designed to help consumers meet their varied fitness goals with aerobic, strength and flexibility workouts, the WALK REEBOK program which promotes walking, its CYCLE REEBOK program that features the CYCLE REEBOK studio cycle, and the Reebok Flexible Strength program that develops strength and flexibility simultaneously.⁹¹ These programs were complemented by the marketing and sale of a line of REEBOK fitness videos, as well as the marketing and sale of REEBOK fitness equipment products such as the STEP REEBOK exercise platform and the CYCLE REEBOK studio cycle.⁹²

In August 2005 Adidas declared an intention to buy Reebok. This takeover was completed with partnership in January 2006.⁹³

Reebok SWOT Analysis⁹⁴

Strengths

- Brand Equity
- Reebok-Adidas merger.
- Reebok is one of the top athletic shoe companies in U.S. in terms of market share.

⁸⁹ Ibid

⁹⁰ Edgar Online: Reebok International, available at: <http://sec.edgar-online.com/reebok-international-ltd/10-k405-annual-report-regulation-s-k-item-405/1998/03/25/section3.aspx>, accessed on 29. July 2012

⁹¹ Ibid

⁹² Ibid

⁹³ Howard, L. p. (2005). *Adidas-Reebok merger lets rival nip at Nike's heels*, available at: http://www.usatoday.com/money/industry/manufacturing/2005-08-04-adidas-1b-cover-usat_x_htm, accessed on 24 September 2012.

⁹⁴ Wilder, Q. (2011). Reebok Realflex: Final marketing Plan. Marketing 2800.

- Barefoot shoes are scientifically healthier than any other kind of shoes.
- 76 independent sensors on the bottom of Reebok Realflex barefoot shoes promote natural movement, flexibility, and comfort.
- The price is the average of main competitors.
- Customizing the shoes with the styles and colors customers prefer

Weaknesses

- Reebok owns few official stores and relies more on retailers.
- Reebok doesn't own factories and they depend on producing industries in their production.
- Previous reputation of releasing faulty products.
- Few sponsors associated with Reebok.

Opportunities

- Expanding current market and reach current markets with their new products.
- Marketing towards several age groups to increase profits.
- Product development opportunity.
- Expanding to market for the product on social media websites.
- Creating new channels of communication on social media websites

Threats

- Many companies produce barefoot shoes and this leads to a strong competition.
- Changing trends in footwear technology.
- As barefoot shoe is a want and not a need, some people may think twice before purchasing.
- Poor economy

2.4.3. Asics⁹⁵

Onitsuka Co., Ltd., the forerunner of ASICS, was established by Kihachiro Onitsuka in Kobe, Japan, in 1949. Just after World War II, children could not get any sports shoes when they wanted to play sports. Origin of Onitsuka Co. came into existence through the suction cups of an octopus in Mr. Onitsuka's salad and inspired the design of basketball shoe soles. According to Onitsuka's philosophy based on "bringing up sound youth through sports," the company has continued to keep the tradition of specializing in the manufacture of sports shoes. The company name expressed this philosophy.

The company name that was changed to ASICS in 1977, stands for the first letters of the words in the Latin proverb, "Anima Sana in Corpore Sano," meaning "a sound mind in a sound body."

Today ASICS is known worldwide as a Japanese athletic equipment company producing professional footwear and sports equipment designed for football, running, netball, tennis, badminton, squash, martial arts, cricket, golf, wrestling, track & field, cross-training, volleyball, cheerleading, lacrosse, and for many other sport disciplines. In recent years their running shoes have often been ranked among the top performance footwear in the market. ASICS bought the outdoor brand Haglöfs on July 12, 2010.

ASICS is one of the sponsors of the New York City Marathon, where 40 percent of recent competitors wore the company's shoes. The company has subsidiaries in Australia, Brazil, China, Europe, and Korea in addition to its Irvine, California-based ASICS Tiger Corporation unit.

The company's products were becoming more common at the Olympics and other world-class sporting events. A number of top athletes from countries other than Japan wore Onitsuka shoes; some of them won silver and bronze medals at the 1964 Tokyo Olympics. A 1966 market survey found nearly two-thirds of athletes at the Boston Marathon wearing them.

⁹⁵ Marketing Strategy of ASICS, available at: <http://www.managementparadise.com/forums/432566-post1.html>, accessed on 6. may 2012

Onitsuka was the first to employ synthetic leather in shoe manufacture. Onitsuka launched its "Olympic Line" after years of gathering suggestions from top athletes. This series marked the introduction of the ASICS trademark design of two vertical lines intersecting a pair of lines emanating from the heel of the shoe. These lines were said to provide reinforcement as well as decoration.

ASICS was created by the merger of Onitsuka Co., Ltd. with fishing and sporting goods company GTO and athletic uniform maker JELENK in 1977. Onitsuka was named president of the new company.

A joint venture with Cambuci, S.A. began making and selling ASICS brand shoes in Brazil in mid-1984. ASICS also set up subsidiaries in Taiwan and South Korea. Licensed production of ASICS wrestling shoes began in mainland China in early 1988. ASICS began to shift production from South Korea to Indonesia in 1990 due to rising labour costs and frequent strikes.

Some of ASICS' efforts were dedicated more towards fashion than performance. It introduced a line of pastel women's sneakers in 1988, and took over distribution for LA Gear sneakers in Japan in 1990.

As official shoe supplier for the 1992 Barcelona Olympics, ASICS supplied shoes for 20,000 Olympic staff and 60,000 torchbearers.

ASICS benefited from the popularity of niche brands of running shoes in the United States in the late 1990s. The company extended its brand into a series of walking shoes, following the trend of walking as a form of physical fitness.

ASICS and its subsidiaries supplied outerwear for Japanese, Dutch, and Italian teams at the 2002 Winter Olympics in Salt Lake City.

The trend toward retro-styled sneakers led to some legal battles for ASICS, for example with a shoemaker Reebok for infringing upon its trademark stripe design.

Principal Subsidiaries are ASICS Europe B.V. (The Netherlands); ASICS Sports Corporation (South Korea); ASICS Tiger Corporation (U.S.A.); ASICS Tiger do Brasil Ltda. (Brazil); ASICS Tiger Oceana Pty. (Australia).

Principal Competitors are Adidas-Salomon AG; Mizuno Corporation; New Balance Athletic Shoe Inc.; Nike, Inc.; Reebok International Ltd.; Saucony Inc.

Nike of America, the world's largest sporting goods manufacturer, and second-ranked Adidas of Germany have strong brand images. ASICS felt that working against them in the global market was the necessity of creating the same sort of brand image for ASICS.

In 2006, to be highly competitive against its rivals, ASICS established the companywide management policy "ASICS Challenge Plan." The company worked out its management position as the world's number one Corporation for creating a sporting, healthy, and comfortable life.

The Corporate Philosophy in the New Five-Year Strategic Plan launched on November 16, 2010 was to provide valuable products and services through sport to all its customers, to fulfil ASICS social responsibility and help improve conditions for communities around the world, to share profits brought by ASICS sound services with their shareholders, communities and employees, to maintain a spirit of freedom, fairness and discipline and respect for all individuals.

Among their defined Values of Sportsmanship are the following: respect rules, be courteous, be persistent, work as one team, be prepared and learn from failure.

Asics SWOT Analysis⁹⁶

Strength

- Has established itself as a niche brand in sports footwear
- Known as a leader in innovation

⁹⁶ MBASKool.com (2012). Asics SWOT Analysis: available at <http://www.mbaskool.com/brandguide/lifestyle-and-retail/2963-asics.html>, Accessed on December 26, 2012.

- Global Presence which results in strong reach sponsorship of many international teams and players, apart from being associated with international sports events
- Strong Research and Development team coming up with innovative products for apparel and equipment form different disciplines

Weaknesses

- Diversification may lead to brand dilution
- Has to first create more market and awareness in countries where sports shoes shopping is not a culture

Opportunities

- To increase awareness about ASICS in emerging countries
- Integrate the e-business in the business model to increase efficiency
- To become a market leader in this segment as there are limited well known players

Threats

- Substitutes available at cheaper costs
- Increasing indirect players getting into this sports segment
- Competitors increasing brand awareness and penetration

2.4.4. Mizuno ⁹⁷

Mizuno is a Public Company, incorporated in 1906 and is stocked at Tokyo Osaka Nagoya market. Mizuno's mission is to contribute to society through the advancement of sports and the promotion of better sporting life.

Mizuno Corporation accounts oneself as a world leader in sports equipment manufacturing. The company produces its products in-house and maintains offices and dealers across the globe, including in Japan, France, Canada, Germany, England, Taiwan, and the United States.

In 1906, a devoted fan of baseball – Rihachi Mizuno – started a sporting goods store, offering baseball equipment, custom uniforms as well as sports clothing. By the mid-

⁹⁷ FUNDINGUNIVERSE (2012). *Mizuno Corporation History*, available at: <http://www.fundinguniverse.com/company-histories/Mizuno-Corporation-company-History.html>, accessed on 31 May 2012

1900s, Mizuno was once again at the forefront of the sporting goods industry, supporting the 1964 Olympics and the Sapporo Winter Olympics in 1972. The company became known as an innovator in its field in 1977, creating customized gloves for major league baseball players. The number of professional baseball players using Mizuno equipment grew, with 29 percent opting for the company's merchandise.

In 1982 Mizuno launched an American division under the direction of Jack Curran. He began Mizuno Corporation of America from his home, with one other employee for support. Mizuno had strong research and development, a strong product line, and a strong sourcing base overseas. Within a short time, Mizuno became successful on the American sporting-goods scene.

By the end of the decade, the company secured the endorsements of numerous star U.S. athletes, including footballers Joe Montana and John Elway and Olympians such as Carl Lewis. Prior to the Seoul Olympics in 1988, track-and-field star Florence Griffith Joyner signed a million dollar shoe contract with Mizuno, then in 1989 the company introduced her line of Flo-Jo sportswear.

In 1990, Japan's Ministry of International Trade and Industry hoped to make sports and recreation an imposing industry for the country, projecting an \$821 billion market by the year 1999 and Masato Mizuno, the grandson of the founder following this idea wanted to let the company expand and internationalize it.

Mizuno gained further notoriety at the summer Olympics held in Barcelona, Spain, during 1992. Twelve of the gold medallists at the Games wore Mizuno shoes, and as did 30 of the silver and bronze medallists. In fact, more winning track-and-field athletes wore Mizuno footwear than that of any other manufacturer.

Mizuno played an active role in the 1996 Olympics, which were held in Atlanta, Georgia – home of Mizuno Corporation of America. Athletes wearing Mizuno products performed well in the Games.

After 1997, the company's long-term plans included global marketing strategies, as well as using state-of-the-art technology and precision craftsmanship in production. Mizuno

established a production base in Shanghai, China, and began developing global sales and production tactics. During this time, Mizuno liquidated the Mizuno Corporation of America and closed the golf equipment and apparel distribution company located in Georgia and cut its shoe line by 40 percent. Mizuno also decreased staffing and marketing costs at the U.S. subsidiary, but continued developing its golf products.

Mizuno acted as a gold sponsor of the winter Olympic Games held in Nagano, Japan, in 1998. To encourage the spirit of the Games, the company offered prizes on 200 Japanese media stations and also auctioned Olympic t-shirts over the Internet.

Mizuno's long-term plan after 1998 included global development of the markets for its merchandise. In particular, the company hoped to advance the positions of its golf, baseball, running, and soccer products in the worldwide marketplace.

At present, the Principal Subsidiaries are Mizuno Canada; Mizuno Corporation Niederlassung (Germany); Mizuno Corporation (United Kingdom); Mizuno France; Mizuno Taiwan Corporation and Mizuno USA Corporation.

2.4.5. New Balance ⁹⁸

New Balance Athletic Shoe had its origins as an orthopedic shoe manufacturer in 1906. It was started by William Riley and was known as the New Balance Arch Company. In the 1900s, New Balance Arch produced custom-made arch supports to correct orthopedic foot problems and relieve pain. In 1930, the first handmade running spike was developed by New Balance Arch.

Paul Kidd bought new Balance Arch in 1956. The company made the first running shoe with a rippled rubber sole, which was manufactured in multiple widths in 1961.

In 1972, James S Davis purchased New Balance and later it was named New Balance Athletic Shoe. New Balance Athletic Shoe purchased the rights to the Dunham brand names from Iron Age in 1998.

⁹⁸ Datamonitor (2005). *New Balance case study*, available at: www.datamonitor.com, accessed on 10 June 2012

In 2000 the company developed the RC1001, which was the first shoe to feature the N-ergy SC System, a technological innovation in the New Balance high-performance suspension system. New Balance Athletic Shoe also acquired the rights to the PF Flyers brand in 2000.

New Balance Athletic Shoe opened its first width center concept unit at Harrods in partnership with Sweatshop in 2001.

The company signed a license agreement with the Franco Apparel Group for marketing children's apparel in 2003. It also opened its stores in Santa Barbara and Ontario in the same year. In 2003 New Balance Athletic Shoe forayed into the Chinese market.

New Balance Athletic Shoe acquired Warrior Lacrosse in Warren, Michigan in 2004 and also opened its concept stores in US and Canada during the same year. A brand-new comfort performance footwear brand, Aravon, was introduced at retail in 2004.

In 2005, Innovative Hockey was acquired to operate as a new division called Warrior Hockey. In August 2006, New Balance Athletic Shoe acquired Brine, a recognized industry leader in soccer, lacrosse, field hockey and volleyball, based in Milford, Massachusetts.

The New Balance advertisements tend to feature people undertaking solo activities such as running. The person is not shown in enough detail to determine the age, thus making the imagery neutral and widening the appeal. The New Balance advertisement headline, "The shortest distance between two points is not the point," features a man running along a road carved into the side of a mountain overlooking a shimmering sea – a man with nature. This shows New Balance advertisements have none of the “machismo” that typifies competitors’ marketing. The New Balance imagery appeals to consumers in all age groups.

New Balance broke from the industry norm by undertaking an “Endorsed by No One” philosophy. It went against the grain by refraining from the use of celebrity endorsements and in doing so it made it easier in the 1980s for the brand to shift its focus to the older markets, since it was not seen as a primarily youth-orientated brand. The

formulation of the New Balance American race walking team included men who were not full-time athletes. This maintained the “Achieve New Balance” theme as the men led diverse lives in which their race walking served as a balancing source of fulfilment and well-being. Walking has a universal appeal as it can be undertaken by people of all ages, which continues the ageless approach undertaken by New Balance.

New Balance has not only experienced growth in the older market, but the brand’s popularity has also recently enjoyed strong growth in younger markets. This demonstrates the power of “ageless marketing to extend a brand’s reach across generational divides,” since the brand’s values that were originally designed to appeal to older consumers in the 1980s have a universal appeal in today’s society.⁹⁹

New Balance SWOT analysis¹⁰⁰

Strengths

Focus on technology and innovation

New Balance is known for its technologically innovative footwear. The company’s strategy of product innovation is supported by its strong emphasis on research and development.

Wide product portfolio

New Balance offers a wide variety of footwear for men, women and kids under the brands New Balance, Dunham, PF Flyers, Aravon, Warrior and Brine. The company offers a variety of shoes designed for running, training, basketball, tennis, hiking and golf. New Balance is known for its selection of footwear designed to fit all widths and sizes. The company also provides an array of fitness apparel and lifestyle accessories such as bags, socks, sports monitors, eyewear, fitness equipment and shoe care products.

Wide geographic presence

The company has expanded internationally, with products in more than 120 countries. The company has wholly-owned subsidiaries in the UK, France, Germany,

⁹⁹ Datamonitor (2005). *New Balance case study*, available at: www.datamonitor.com, accessed on 10 June 2012

¹⁰⁰ Ibid

Sweden, Hong Kong, Singapore, Australia, New Zealand, Mexico, Canada, Brazil and South Africa.

Weaknesses

Lacking celebrity endorsements

New Balance has developed an “Endorsed by no one” philosophy. The company does not undertake celebrity endorsements like its competitors Nike, Adidas and Reebok.

Opportunities

Growing online retail spending

New Balance has a strong presence in ecommerce through its website, www.nbwebexpress.com. Customers can purchase all varieties of footwear and apparel online and also through its mail order dealers.

Threats

Sluggish discretionary spending may impact the revenue growth adversely

Low disposable income and unemployment are pressurizing consumer spending in the US. Americans seem cautious and are not willing to increase spending, one of the reasons why the pace of the recovery is estimated to be subdued. Consumers have lesser disposable income and have become more vigilant of spending. A weak economic outlook for the important markets of New Balance would put pressure on its top line and bottom line growth.

Intense competition in the footwear industry

Competition is intense in the footwear industry. Some of New Balance’s competitors such as NIKE, Footlocker, Reebok International have greater financial, marketing and technological resources than that of the company. The industry has been impacted by retailers aggressively competing on the basis of price. As such, there has been competitive pressure on the company to keep its selling prices low. If New Balance is unable to respond effectively to the price pressures, its business and results of operations may be adversely affected.

Increased minimum wages in the US

In recent times, tight labour markets, increased overtime, government-mandated increases in minimum wages and a higher proportion of full-time employees have resulted in an increase in labour costs, which could materially impact the company's operating margins. Rising labour costs may increase overall costs and affect New Balance's profits.

2.4.6. Nike

Nike is one of the most publicly traded sportswear and equipment supplier with its base in the United States and its headquarters is near Beaverton Oregon. The company was founded in the year 1964 by Bill Bowerman and Philip Knight as Blue Ribbon Sports and it officially became Nike Inc. in 1978.¹⁰¹ Nike produce a wide range of sports equipments like shoes, apparels, etc. for a wide range of sports including track and field, baseball, ice hockey, tennis, football, basketball and cricket. In 1976 the Montreal Games were Nike's first Olympics.¹⁰² By 1980 the so called 'trainer wars' were in progress. In 1984, Nike chased the best American athletes, who were mainly track and field, and tennis stars. They also ran the first national television advertising campaign by a shoe company, to push the whole brand not an individual shoe. In 1987 Reebok passed Nike in gross sales after rising overnight on the strength of Freestyle, a soft leather woman's shoe.¹⁰³ Nike responded in 1989 with Michael Jordan.¹⁰⁴ In the 1996 Atlanta Olympics Reebok signed 52 National Olympic Committees to clothing deals along with a host of individual shoe endorsers whereas Nike, as well as several individual athletes and the Dream Team, Nike had the Italian and US football teams.

¹⁰¹ Nike (2010). Annual Report

¹⁰² Ibid

¹⁰³ Ibid

¹⁰⁴ Ibid

Nike SWOT Analysis^{105 106 107}

Strengths

- Robust market position bolstered by strong brand equity
- Competent technical innovation in products enhances Nike's competitive advantage and brand equity
- Low-cost manufacturing base coupled with broad distribution network
- No factories - Nike does not tie up cash in buildings and manufacturing workers. They manufacture then wherever they can produce high quality product at the lowest possible price. If prices rise, and products can be made more cheaply elsewhere, Nike will move production.

Weaknesses

- No diversified range of sports products
- The retail sector is very price sensitive
- High pension liabilities

Opportunities

- Association with NFL would consolidate market leadership in the US
- Brand reorganisation initiative
- Growth in global footwear market

Threats

- Intense competition.
- Limited control over contract manufacturers
- Growing counterfeit goods market

¹⁰⁵ Shammals, M. (2011). "Duke athletes test eye glasses for improvements in vision", Duke Chronicle

¹⁰⁶ Vithlani H. (2006), *The Economic Impact of Counterfeiting*, Organisation for Economic Co-operation and Development

¹⁰⁷ DataMonitor (2011). *Company Profile: Nike Inc.*, DataMonitor Report

2.4.7. Puma¹⁰⁸

The roots of the Puma brand stretch back to the mid 1920's when Adolf and Rudolph Dassler spent years working together building lightweight athletic shoes registered under their family shoe enterprise Gebrüder Dassler in Herzogenaurach, Germany. Beginning with the 1928 Olympics in Amsterdam, Adi's uniquely designed shoes began to gain a worldwide reputation. Jesse Owens was wearing a pair of Dassler's track shoes when he won gold for the USA at the 1936 Berlin Olympics.

After World War II, the Dassler brothers began a legendary feud, causing Rudolph to leave the company and found a rival company across town. Originally thinking of calling his brand RUDA, Rudi Dassler named his company Puma Aktiengesellschaft Rudolf Sport, shortly Puma while brother Adi incorporated as Adidas. This family rift would lead to cutthroat business disputes and sporting triumphs forging two mighty sporting brands recognised all over the world.

In recent years, the Puma brand has become synonymous with fashion, style, and sport. Through fresh design, co-branding and partnerships with celebrities and famous designers, Puma has elevated its brand image so that now it competes with fashion brands as well as its traditional rivals in the sporting footwear industry. The Puma brand communication strategy communicates innovation for an "active lifestyle". Puma also engages customers through their Mongolian barbeque concept that enables customers to design and build their own footwear from scratch. Further differentiating the brand from traditional rivals, Puma frequently hosts promotional events that are based around "active lifestyle" themes based on entertainment, fashion, and music. Puma has more street credibility than many of its competitors such as heavy-hitting brands like Nike, Reebok and Sketchers.

The Puma brand name stands for distinctiveness, individualism, spontaneity, internationalism, and sporting heritage. "Distinctiveness" and "individuality" allude to the brand focus on design and fashion trends while retaining a nonconformist attitude. "Spontaneity" caters to the brand focus on the active lifestyle. Internationalism speaks to

¹⁰⁸ Trent Kahute: Puma - Brand Communication Analysis, available at: <http://www.scribd.com/doc/35130565/Puma-Brand-Analysis>, accessed on 29.July 2012

global reach and appeal of the Puma brand. It stands for “sporting heritage” because Puma still sells a variety of classic styles that have been around for over 25 years. The brand name alludes to the attributes of the puma animal: the combination of speed, power, elegance, attributes often associated with athletes. The name is also short, easy to pronounce and memorable.

The Puma symbol is one the few logos that can be used with or without an accompanying name. The logo has been used for over thirty years and now has gained the global recognition. The iconic leaping cat tells us that the brand is active, aggressive and forward looking. The leaping monotone cat is also a highly identifiable trademark of old-school seniority. The organic and curvacous styling of the leaping cat suggests the visual styles that Puma footwear delivers. The all capital sans serif font helps the company to create a commanding presence that sets an aggressive tone. The logo is visually appealing in black-and-white as they are in colour.



Figure 15: Puma group – brand portfolio overview ¹⁰⁹

¹⁰⁹ Ibid

Puma SWOT Analysis ^{110 111 112}

Strengths

- Innovation and importance of the R&D department
- New market segment and partnership in new sport niches
- Presence in the Asia-Pacific area with the possibility to have lower costs
- Good presence on the web

Weaknesses

- Size is a big problem for the firm that could provoke a lack of cash too
- Competitors have a great advantage in brand loyalty difficult to overcome
- Decrease of exports rate can cause a loss of money for the international transition

Opportunities

- Use of subsidiaries to exploit the tax advantages and changes in the economy
- Increase of the partnership with niches sports
- Use of other brands

Threats

- Political and social changes on force to move out from some countries
- Low control on Asian manufacturer
- Counterfeits could have devastating consequences in Puma's strategy

¹¹⁰ Walter-Partner (2008), "Puma – The first, real virtual sports article company, Walter-Partner

¹¹¹ Majnet, M, Muhlig, C & Osterwalder, E (2008). "Brand Management: The Resurgence of Puma AG", Ziehmman-Consult.

¹¹² DataMonitor (2010). "Company Profile: PUMA AG Rudolf Dassler Sport", DataMonitor Reports

2.4.8. Saucony ¹¹³

Achievements of the brand Saucony Inc., in the past known as the Hyde Athletic Industries, Inc., are based on very colourful past. First beginnings date back to 1910, when a Russian immigrant and shoemaker Abraham Hyde founded in the U.S. a domestic manufactory to produce shoes.

By 1932 the company produced all civilian shoes and when the company was led by the son Maxwell, it has begun the first trials with sports shoes.

In 1952 Hyde bought an Athletic Shoe Company, focused mainly on the production of sports shoes for indoor sports. In early 60's the U.S. government noticed the high quality of shoes of the Hyde Company and assigned the contract to manufacture shoes for the then new training astronauts.

In 1968, Hyde Athletic Industries acquires Saucony Shoe Manufacturing Company, a manufacturer of branded sports shoes.

At the beginning of 1984, after moving the company headquarters to larger premises in Peabody, Massachusetts, Hyde acquisition gains a significant producer of sports-equipment company Brookfield Athletic Company and gradually focuses more on other sports.

In the middle of 1997 a company sold all activities of Brookfield Athletic Company and Hyde Company acquires more space for activities in selected sports. In May 1998 the company name is changed to Saucony, Inc. and there is a return to tradition with a greater emphasis on the production of high-end multi-sports equipment.

Saucony becomes a famous brand sports equipment most desired in dynamic sports such as athletics and triathlon with a motto: We are in shoe-business, not show business.

¹¹³ Saucony: Historie, available at: <http://www.saucony.cz/saucony/historie.php>, accessed on 11 August 2012

2.4.9. Salomon

In 1947, the Salomon family opened a wood saw workshop for making ski edges in downtown Annecy, France.¹¹⁴ The founder was Francois Salomon who worked with his wife and son Georges.

Salomon of nowadays is a manufacturer and distributor of footwear, apparel and equipment for snow, rock and dirt, asphalt and water related sports and activities.

In 1997 it became part of the Adidas group. On October 20, 2005, Adidas-Salomon sold the Salomon Group to Amer Sports of Finland.

Other companies owned by the Salomon brand include Bonfire, Mavic, Cliché, Skateboards, Arc'teryx.



Figure 16: Salomon Shoes

¹¹⁴ Dan Harriman: The Origins of Salomon Skis, available at: <http://www.livestrong.com/article/352026-the-origins-of-salomon-skis/>, accessed on 11. august 2012

CHAPTER 3: METHODOLOGY

3.1. Questionnaire method

For this study, the researcher decided to use as measuring instrument, the questionnaire method.

The questionnaire is one of the most common methods used in research. It is used in social sciences for the mass and direct detection of facts, opinions, attitudes, preferences, values, motives, needs, interests etc.

The questionnaire can be used for scientific purposes as:

- the main method
- auxiliary, additional method
- exploratory method to discover the new terrain.

Advantages:

- Economic method - many respondents in a short time.
- The anonymity of the respondent.
- The questionnaire can be sent, the researcher don't have to be present.
- In comparison to the interview there is a time for a reflection of responses.
- Easy evaluation of mainly closed items.

Disadvantages

- The threat of lower returns, especially in the questionnaires without personal presence of a researcher.
- There is no control, if the questionnaire was completed by the addressed respondent.
- If the respondent does not understand the question, he/she has no option to ask (if the researcher is not present).
- No flexibility - the questions are given in advance.
- Limited opportunity for closed response items in advance.

The electronic questionnaire

Currently, research is increasingly carried out through electronic questionnaires. There are two basic types of electronic questionnaires:

E-mail questionnaires

Respondents receive an e-mail, the questionnaire takes the form of properly formatted (mostly) text document. The respondent enters responses and sends it back. The investigator must know the email addresses of the potential respondents.

Web Survey

The questionnaire acts as a web page. It includes the common form controls like radio buttons to choose only one option at once, the select box that offers multiple answers from which only one answer can be chosen after opening. For questions where there is more than one answer, a group of multiple checkboxes is used. The questionnaire may be completed by anyone who accesses the website. The website should be well promoted in order to get the respondents.

Benefits of an electronic questionnaire

- The time-independent and local-independent filling out of an e-questionnaire - the respondents can complete the questionnaire at any time and anywhere they want.
- Economic method - relatively low financial costs regardless of the number of respondents. When it is incorporated into the software program, it will save time for a researcher and facilitate his work. Alternatively, the researcher can use the services of a specialist, who creates the questionnaire and evaluates it.
- Automatic administration and evaluation - the researcher has easier work, because questionnaires are evaluated electronically, thus do not need to be manually evaluated. After completing the questionnaire the obtained data are immediately available.
- The accuracy of evaluation - electronic implementation eliminates the risk of incorrect assessment, which is sometimes typical for manual evaluation.

- Anonymity is guaranteed better than with the conventional questionnaires.
- Multimedia - with the text you can use different media (images, animations, audio, video and music samples).

Disadvantages of an electronic questionnaire

- Due to a non-uniform expansion of internet users it is not always possible to find a suitable choice of the respondents, because there are answers only from respondents who are available and computer literate.
- Minimal control of respondents (in web surveys) - it is necessary to ensure that respondents are unable to attend the research several times.
- Increased risk of "self selection" (in web surveys) - for example a participation of certain groups in a research can significantly affect the outcome. Respondents participate in a web questionnaire voluntarily and have mostly a reason for that.
- Sending unsolicited e-mail questionnaires can annoy respondents.
- Web questionnaire is more difficult to build than the paper or e-mail questionnaire. In addition, it increases its price, if the researcher can not compile it by himself.¹¹⁵

3.2. Tested sample

The questionnaire was spread among recreational runners in Slovakia. Data was collected via questionnaire - an on-line questionnaire for Online-respondents and the paper version for Recreational Runners of middle - long distances and University Students of Physical Education and Sport on the training spots from 16 January until 31 January 2012. We had all together 333 respondents.

¹¹⁵ Gavora, Peter a kol. (2010). Elektronická učebnica pedagogického výskumu. [online]. Bratislava : Univerzita Komenského, 2010. Dostupné na: <http://www.e-metodologia.fedu.uniba.sk/> ISBN 978-80-223-2951-4

3.3. Questionnaire structure

There are 15 questions, plus the description of the respondents (age, sex, level of education and monthly average gross income).

The questions include period of running, informational canals of the buyers, the purchase features as the cost of purchase, source of money and type of purchase, place of purchase, frequency and finally the brand awareness related to attributes as good price, comfort, design, durability, technology and brand. There are also two questions measured on the five point scale from 1 as the most important to 5 as the least important.

For the online questionnaire the Google Forms from Google Inc were used and the analysis of the results was performed using Google Spreadsheets from Google Inc. together with Microsoft Excel from Microsoft Corporation.

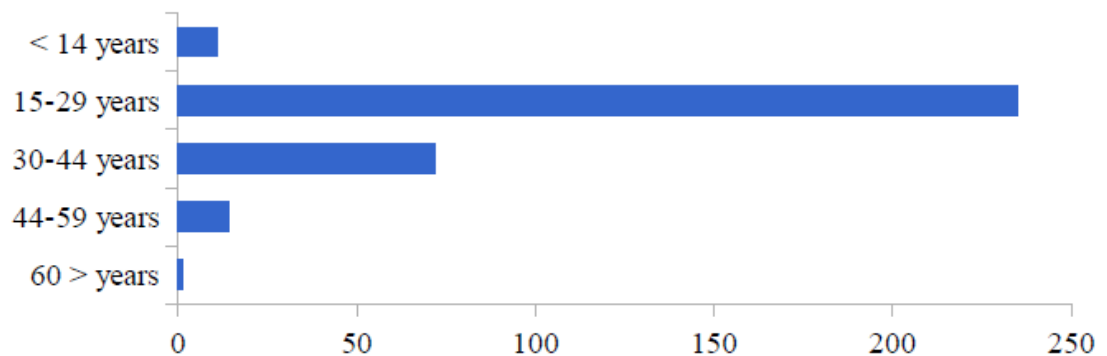
CHAPTER 4: ANALYSIS OF RESULTS

In our analysis, we had three groups of respondents, namely recreational runners, online respondents and University students of Physical Education and Sports. Altogether there were 333 participants in our study.

Below is the analysis of the overall result for all 3 groups.

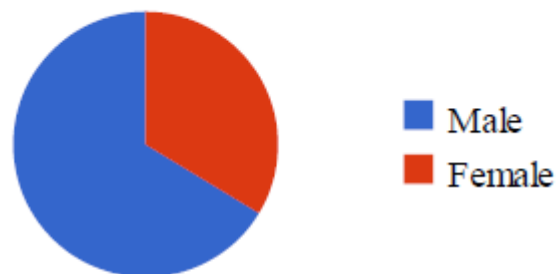
Demographic Details

1. Age:



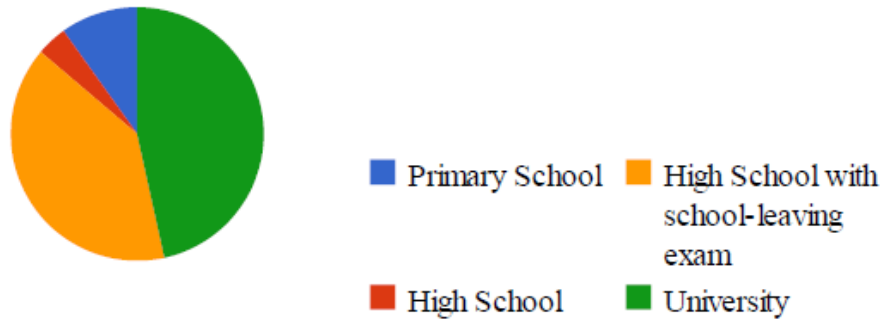
From the graph above we see that the major group of our participants (235) fell in the group age of 15-29 years old, i.e. 71% more precisely. 11% were aged less than 14 years old (11), 22% between 30-44 years old (72), 4% between 45-59 years old (14) and we had 1 participant who was over 60 years old.

2. Sex:



Among our respondents 66% were male (221) and 34% female (112)

3. The highest ended education:



From the research we had 155 participants from University (47%), 132 were high school with school-leaving exam (40%), 13 were high school students (4%) and amazingly we had also 33 primary school students (10%).

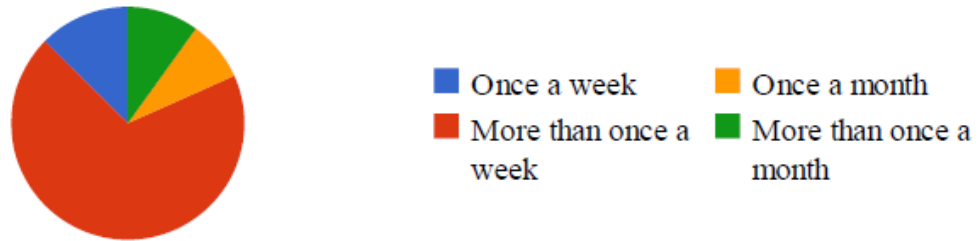
4. Average Monthly Gross Income:



36% of our participants had no regular income; this was due to the fact that most of our participants were university students. 24% of the respondents had < € 700, 15% had income between < € 700 – 1000, 12% between < € 1000 – 1500 and those earning greater than € 1500 accounted for 14%.

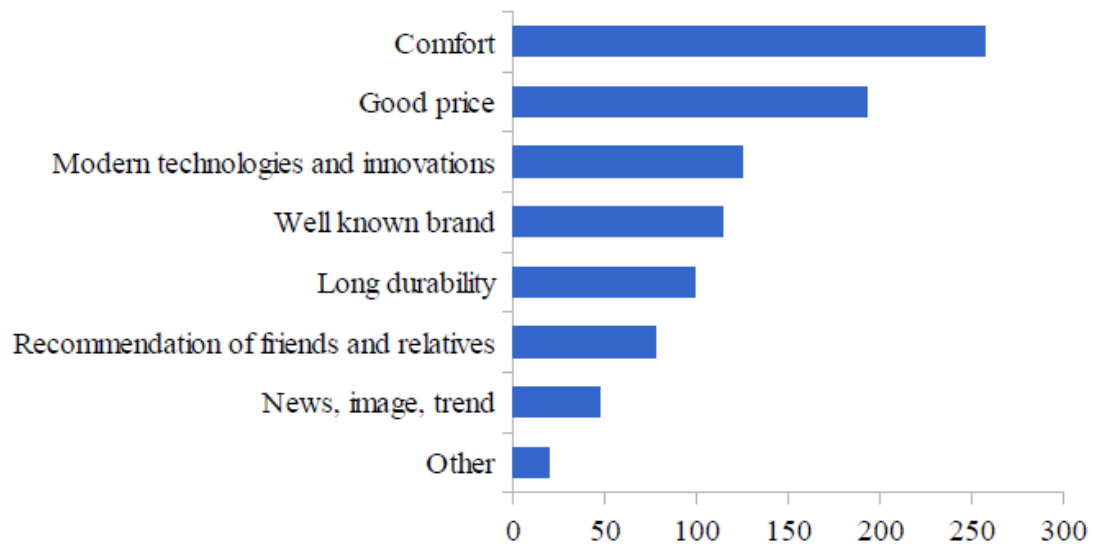
Results and Analysis of Survey Questions

1. How often do you run?



69% of the respondents i.e. 230 persons upon 333 answered that they run more than once a week which is quite encouraging for our society. 13% run once a week, 8% once a month and 10% more than once a month.

2. Which are the most important factors for your choice of running shoes?



The respondents were asked what the most important criteria to them were when purchasing running shoes and they could choose more than one but maximum four factors. Below is listed in order of importance the different criteria:

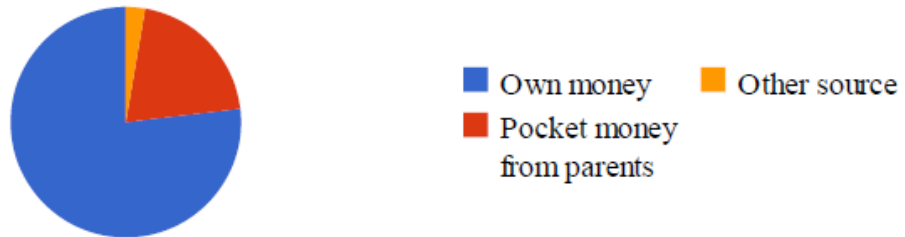
Comfort	257	77%
Good price	192	58%
Well known brand	114	34%
Long durability	99	30%
Modern technologies and innovations	125	38%
Recommendation of friends and relatives	77	23%
News, image, trend	47	14%
Other	19	6%

3. What is the amount of money, which do you normally pay for a pair of running shoes?



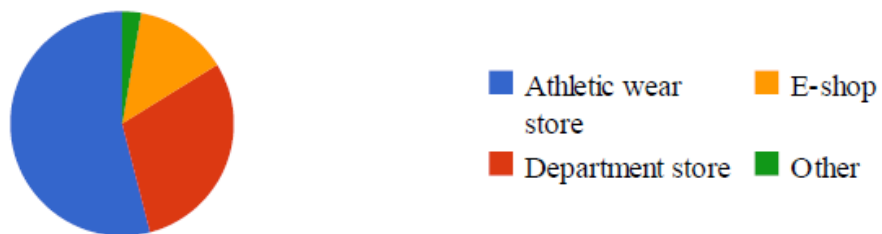
Most of the participants spent between € 41 – 100 which the average range price for branded shoes. 1% spend less than € 20 for running shoes, 7% between € 21 - 40, 24% between € 41 – 60, 24% between € 61 – 80, 26% between € 81 – 100, 12% between € 101 – 120 and 7% spend greater than € 120.

4. What is your source of money for buying running shoes?



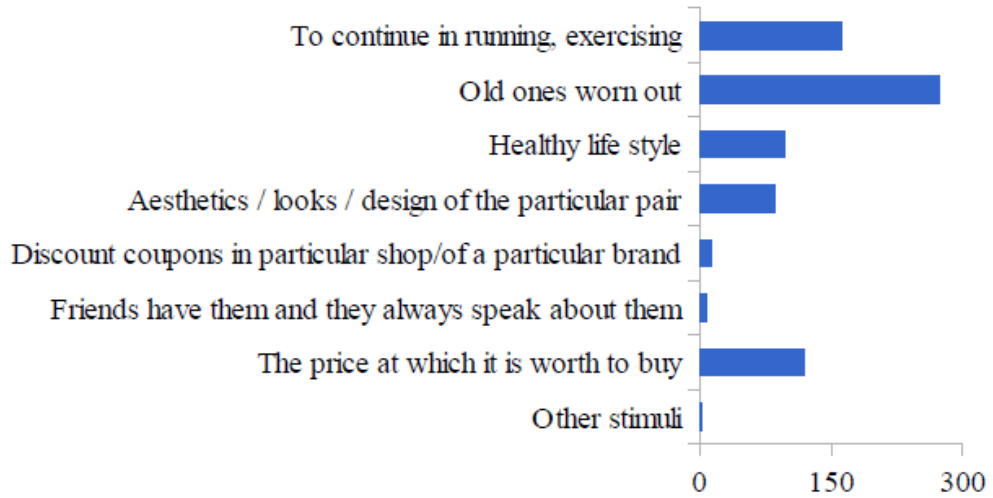
On the 333 participants, 256 buy shoes from their own money which accounts for 77% of our population sample. 20%, i.e. 68 respondents say their source of money for buying shoes is their parents. 3% answered that they have money from other sources.

5. Where do you normally buy your running shoes?



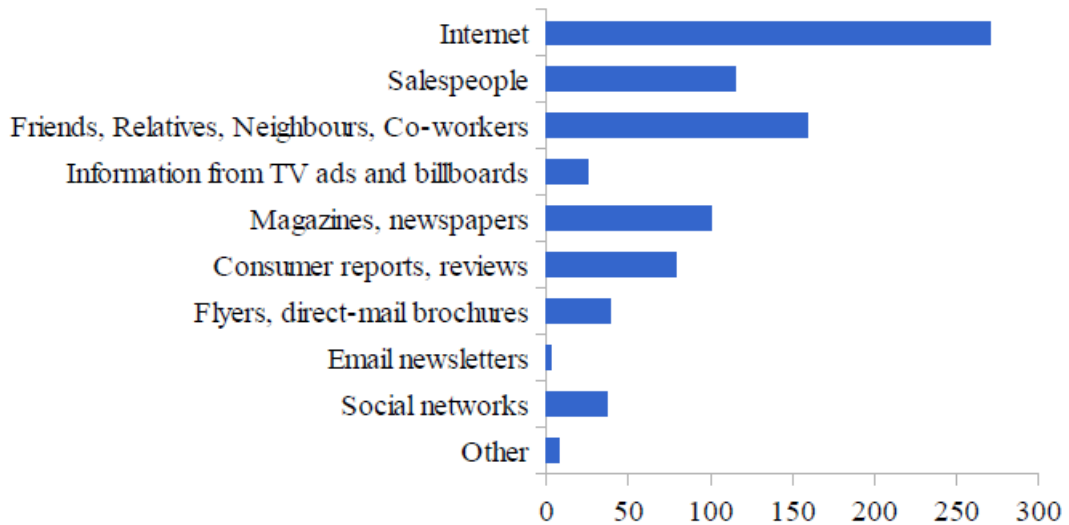
54% of the respondents indicate that they buy shoes from athletic wear store. 30% stated that they shop from department store. A non-negligible 14% buy shoes from e-shop. 3% indicate “Other” as answer to where they buy shoes. This is quite valuable information since we can deduce that athletic wear store and department store are the place of prediction for the purchase of running shoes. The score obtained for E-shop indicates that this field is to be exploited further in the future.

6. What motivates you to buy running shoes?



This graph above clearly shows, that the main reason why respondents have decided to buy a new pair of running shoes was that the old ones worn out. More than half of the top motivating reason results in continuation in running (exercising). The third main reason is the price, at which it is worth to buy. A healthy life style along with the aesthetics/looks/design of the particular pair is important for almost one third of the top motivating reason (old ones worn out). All other motivators were not so significant.

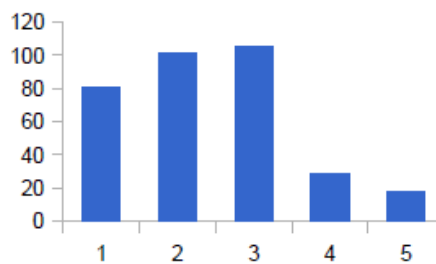
7. Which information channels do you use as the most often sources of information?



81% of the participants state that their source of information for shoes was the Internet. 48% said they rely on friends, relatives, neighbours or colleagues as source of information for purchasing their shoes. 30% said that get information about shoes from TV ads and billboards. 35% answered that they get their information from the salespersons on the sale spot. 30% inform themselves via magazines and newspapers. Amazingly 24% said they get information from consumer reports and reviews. 12% had their information from flyers and direct-mail brochures, 1% from e-mail newsletters, 11% from social networks and 2% answered “Others” as source of information.

We can conclude here that the Internet is the most exploited source of information followed by stores working force, peer group and magazines and newspapers and hence emphasis should be laid upon these methods to really touch the Slovak consumers.

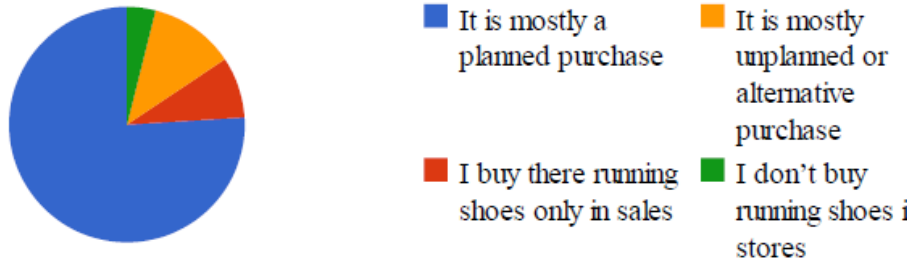
8. How important do you consider buying running shoes in a store? (1 - most important, 5 - least important)



1 - most important	81	24%
2	101	30%
3	105	32%
4	28	8%
5 - least important	18	5%

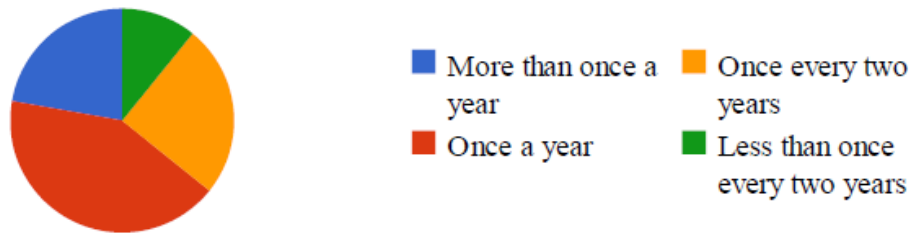
To the question of how important it is for then Slovak to buy running shoes in a store, 24%, i.e. 81 persons only answered 1 (most important). 5% mentioned that it was not important at all; they chose 5 (least important). The different results are shown above.

9. What is the background of your casual purchase of running shoes in-stores?



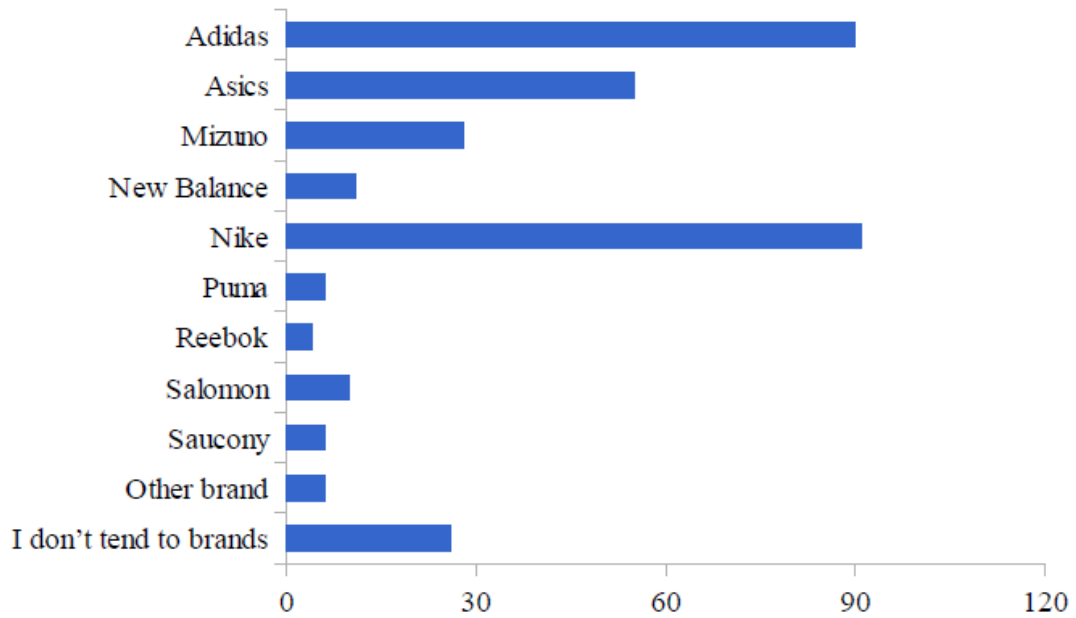
To question 9 above, 76% of the participants answered that their purchase is normally a planned one. 12% said purchasing running shoes is mostly an unplanned task for them. 8% said they would buy shoes only in sales whereas 4% answered that they don't buy running shoes in stores.

10. How frequently do you purchase a new pair of running shoes?



As response to how often the Slovak buy running shoes, 42% responded once a year, 22% more than once a year, 25% indicated once every two years and 11% said less than once every two years.

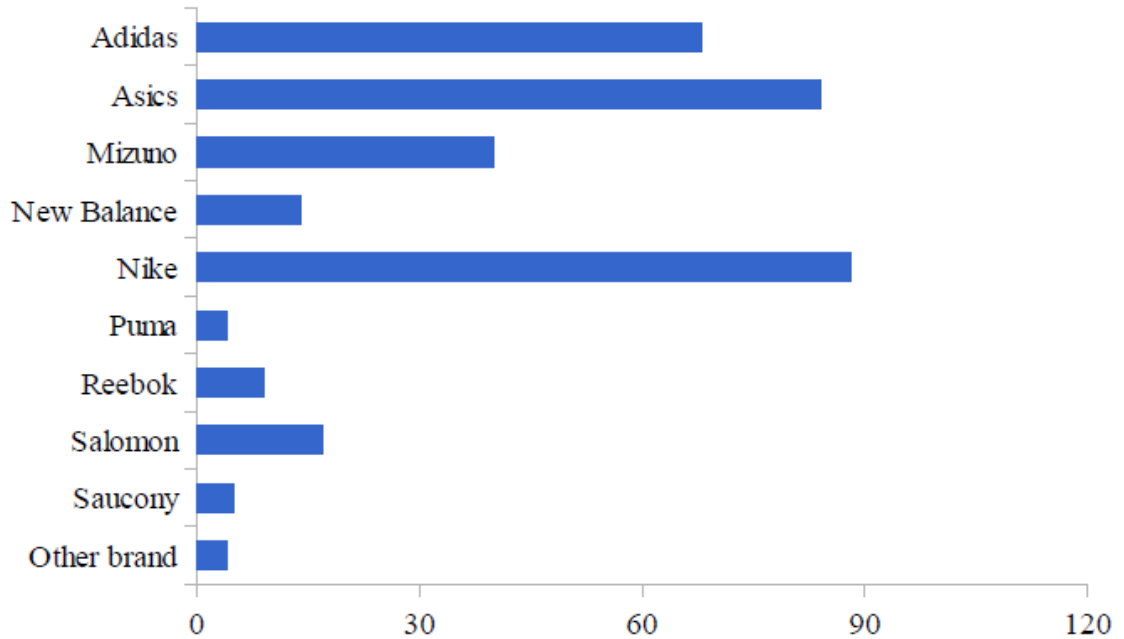
11. To which brand do you tend the most?



Amazingly the Slovaks tastes are quite various. When we would have said that Nike reigns surely on the Market, surprisingly in our study only 27% said they preferred Nike. The three stripes brand Adidas also scored 27%. In third position, we find the Japanese Asics with 17%. 8% of our participants would go for Mizuno, 3% for new balance, 2% for Puma, 1% for Reebok, 3% for Salomon, 2% for Saucony, 2% said they preferred another brand not stated in our list and 8% of the respondents answered they are not brand oriented.

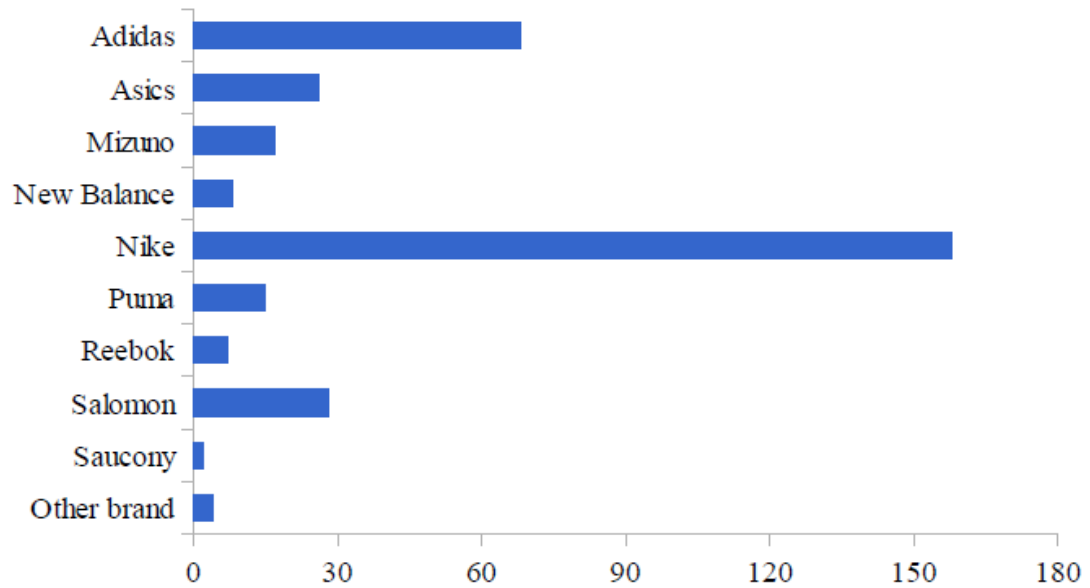
12. According to your opinion which brand meets with highest satisfaction on the mentioned attributes?

a) Comfort



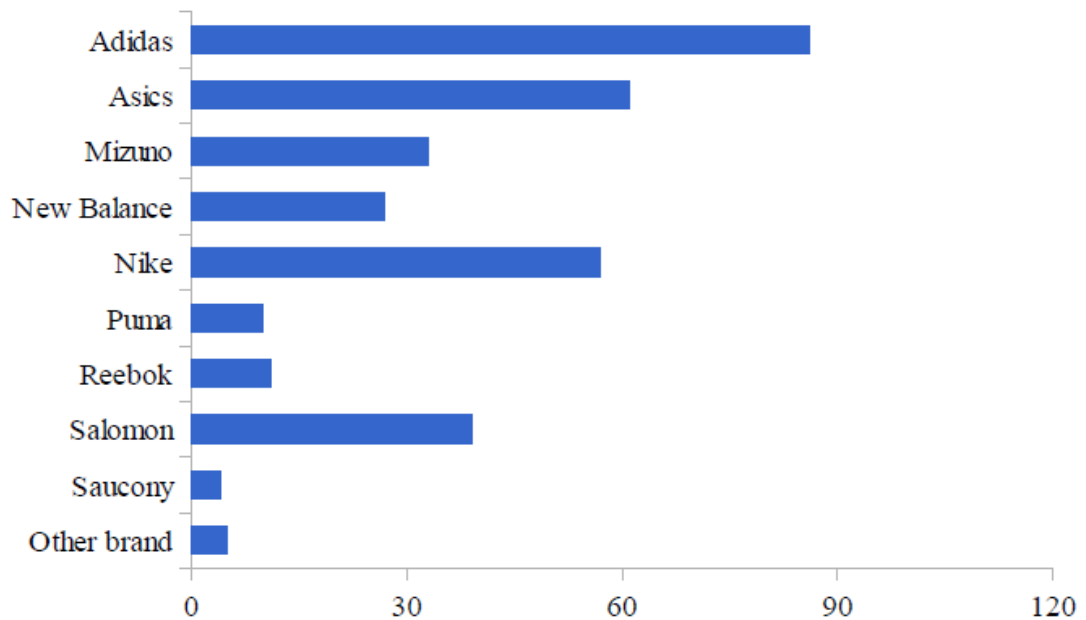
For the comfort gold medal, Nike came first with a 26% share. Asics took the luxury to overcome the prominent Adidas with a score of 25% against a 20% for the German brand. 12% indicated that for comfort they would rather go for Mizuno. The other brands were not that appreciated in terms of comfort; they all scored a percentage of 5% or less.

b) **Aesthetics / looks / design**



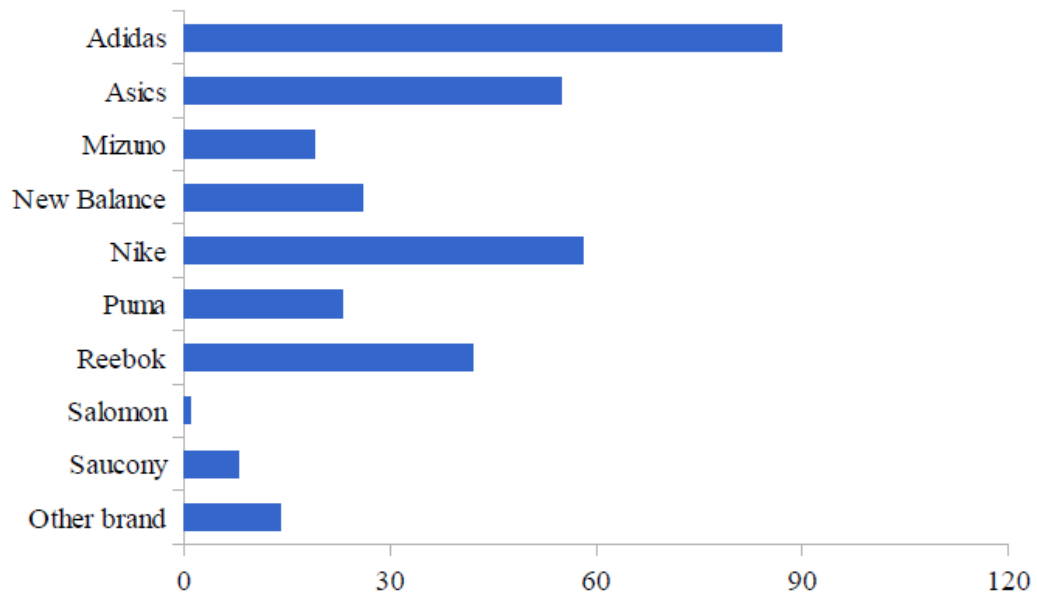
For aesthetics, Nike is the clear leader with a percentage of 47% voting for the American as the most aesthetics in terms of running shoes. 20% voted for Adidas as the most aesthetics brand, 8% for Asics, 8% for Salomon, 5% for Mizuno, 5% for Puma, 2% for New Balance, 2% for Reebok and 1% for both Saucony and Other brand.

c) **Long durability**



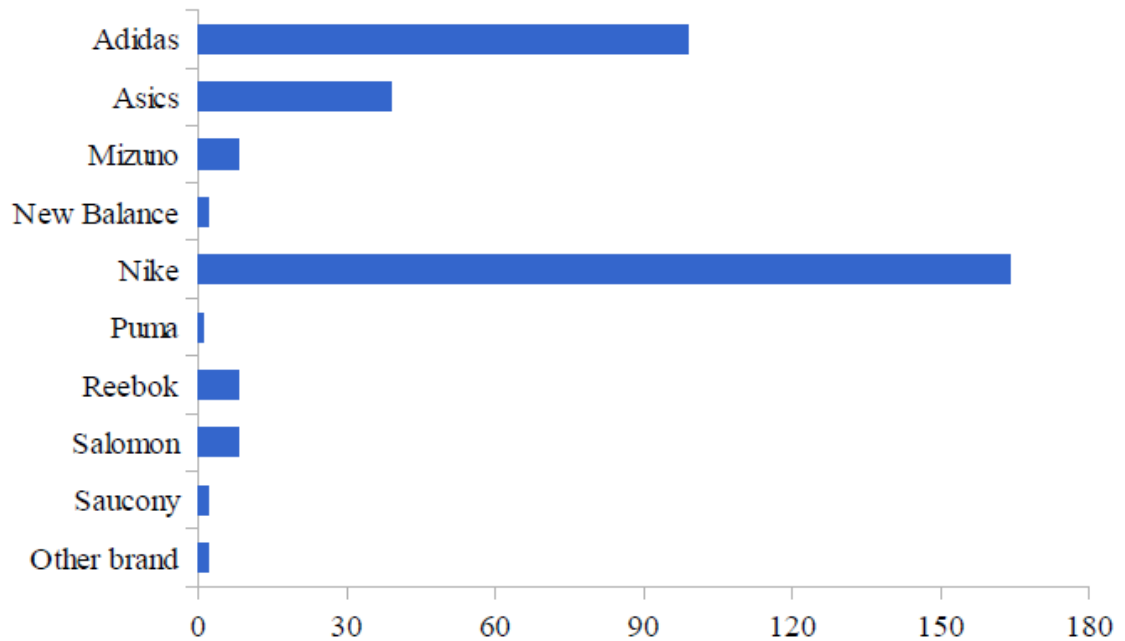
In terms of durability, they were 26% to choose Adidas as the most durable running shoes. Nike registered only a 17% in this case placing third after Asics who has 18% participants recognizing the brand as durable running shoes. 12% of the participants chose Salomon as durable shoes. 10% of the respondents were for Mizuno, 8% for New Balance, 3% for Puma, 3% for Reebok and 1% for Saucony. 2% of the participants stated “Other brand” as durable.

d) Good price



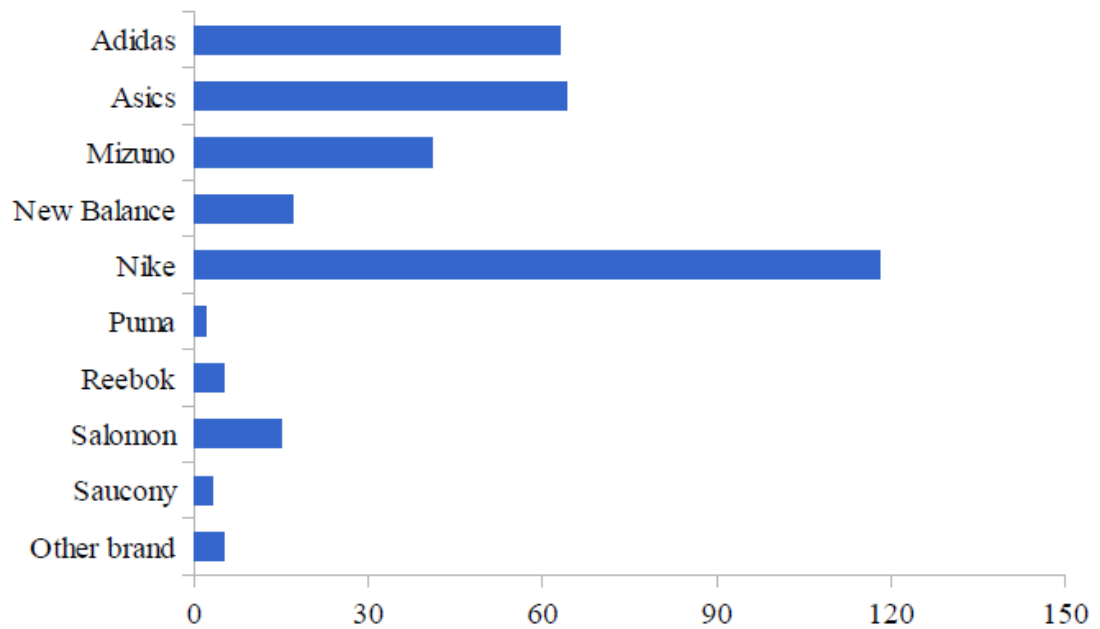
87 people of our population sample chose Adidas for its good price, i.e. 26%. 17% find Nike cheaper. Asics also registered 17% as good price brand. 13% preferred Reebok in terms of price, 8% New Balance, 7% Puma, 6% Mizuno and 2% Saucony. Only 1 person of 333 said that Salomon was affordable.

e) **Well known brand**



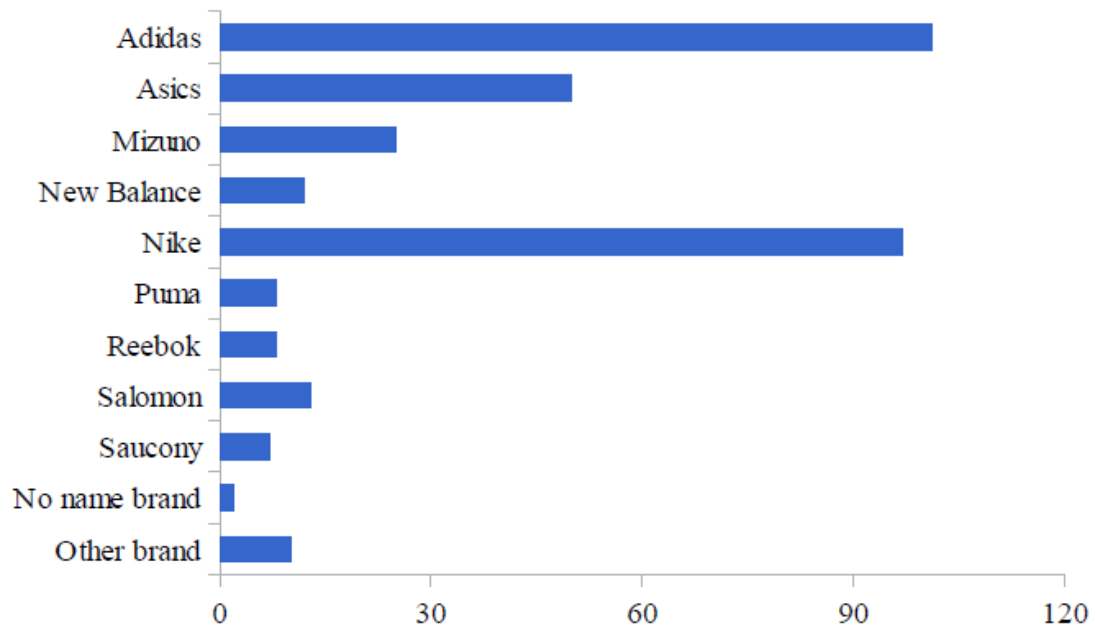
As most well-known brand, Nike who is the most aggressive on the market came first in Slovakia as per our research with a lion share of 49%. Adidas and Asics are the runner-ups with 30%, and 12% respectively. The other brands are not very well-known. Probably, their advertising and marketing strategy is to be reviewed in Slovakia.

f) The best in technology / innovation



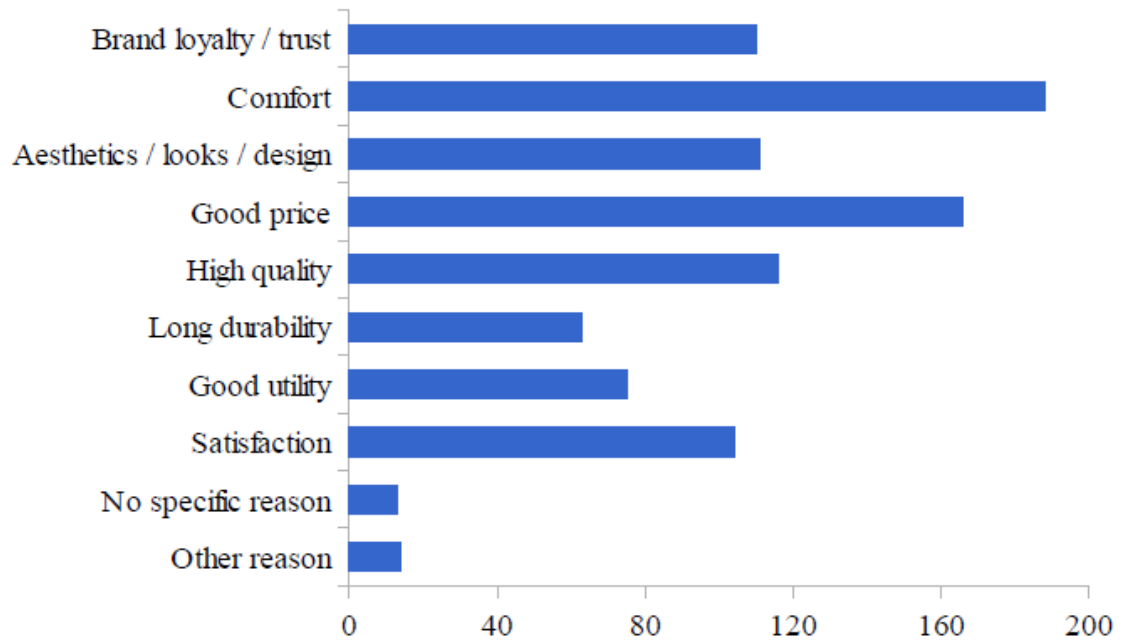
Nike with 35% of the participants is acknowledged as the number in terms of best technology and innovation. Adidas and Asics were both recognized to be innovative by 19% of the respondents. 12% stated that Mizuno is not negligible in terms of technology and innovation. Salomon registered 5% as well as New Balance, Reebok 2%, Puma 1% and Saucony 1%.

13. Which brand did you choose during your last purchase of running shoes?



For question 13, the brand of the last running shoes the respondent purchased, 30% indicated Adidas while 29% bought Nike. 15% bought Asics which shows that the Japanese brand is doing quite well in Slovakia. 8% purchased Mizuno, 4% New Balance, 4% as well for Salomon and 2% Saucony. 4% bought either no branded shoes or other brands.

14. Reasons for purchasing the particular brand:

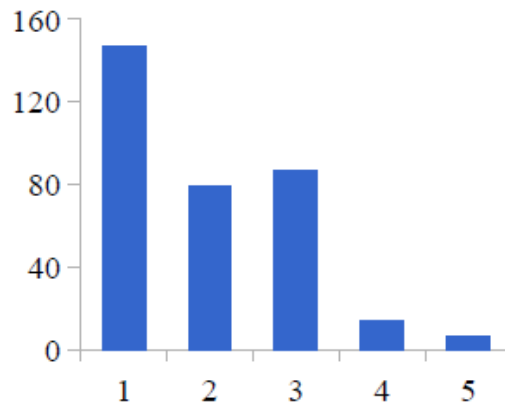


For reasons why the respondent bought a particular brand, the results were as followed:

Brand loyalty / trust	110	33%
Comfort	188	56%
Aesthetics / looks / design	111	33%
Good price	166	50%
High quality	116	35%
Long durability	63	19%
Good utility	75	23%
Satisfaction	104	31%
No specific reason	13	4%
Other reason	14	4%

As we can deduce from the results, comfort, good price, high quality and aesthetics are among the most prominent determinants in the purchasing of branded running shoes.

15. What is the likelihood to Re-purchase the same brand? (1 most likely – 5 not at all)



1 - most likely	147	44%
2	79	24%
3	87	26%
4	14	4%
5 - not at all	6	2%

According to the results above, we can conclude that the Slovaks shows indeed brand loyalty since most of them tend to say that they are more likely to re-purchase the same brand in the future.

CHAPTER 6: CONCLUSION

According to this research, Nike is without any contest the Slovak leader in running shoes. Effectively to the question 12 - which brand meets the highest level of satisfaction pertaining to certain attributes, Nike were the preferred brand for comfort, aesthetics/ looks/ design, well known brand and technology/innovation in contrast to its runner-up Adidas which took two wins namely in long durability and good price. All other running shoes companies in this study were lacking well behind these two brands. From all the nine brands under investigation, only four brands really protruded from the rest in our survey. These brands are of course Nike and Adidas, and amazingly the Japanese Asics and Mizuno.

The thesis has demonstrated that the most influencing factors for the Slovak when purchasing branded running shoes are comfort in first place, good price, high quality and aesthetics, well-known brand and durability. As we can see, well-known brand comes in fourth position when classified in order of motivating purchasing factor. However the people do associate the stated attributes to the given brand of running shoes they choose.

The male and female consumers' motivations in buying running shoes are almost the same, with the girls being slightly more for the aesthetics part. Otherwise, the purchasing behaviour does not differ and comply with the overall findings.

The average monthly gross income of the people of Slovakia does not influence in actual fact their buying behaviour. The consumer if in need of running shoes will go for it independently of his/her income. Most of the time, a person will purchase a pair of shoes because his/hers are worn out and the more involved the person in running activities, the more frequent he will buy shoes.

The Internet revealed to be the most consulted source of information for running shoes by the Slovak. Some people preferred to go on the sales spot to get their information directly from the salespersons. Magazines, newspapers and TV ads and billboards are the complementary strategies used by marketers to sensitise the Slovak clientele.

In the Republic of Slovakia, the people display brand loyalty, the majority willing to buy the same brand for another purchase. The top brands have built trust and satisfaction with the local customers.

As one of my professors use to say, if you want to kill your business, stop advertising. This is a true fact. If we consider the different brands in this thesis, there is no great difference, whether from Adidas, Nike, Asics, Mizuno, Saucony and the other brands. What differentiate them are the marketing strategies they put in place. The more aggressive they are on the market, the better the brand behaves.

When a company advertises its brand and it lives with its customers, these ones shall live with the brand and believe in it. In Slovakia, one can get any of the brands of running shoes mentioned in this paper. Nevertheless, only four of them are visible for the customers; only four of them are in awareness of the majority of the respondents who buy running shoes.

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APPENDIX A - QUESTIONNAIRE SAMPLE

Questionnaire at the theme "Impact of branding on behaviour decision of customers in buying running shoes"

Requirements:

All participants in this survey are required to have purchased athletic footwear within the last two years.

Age: < 14 years
15-29 years
30-44 years
44-59 years
60 > years

Sex: Male Female

The highest ended education: Primary School
High School
High School with school-leaving exam
University

Average monthly gross income: < 700 Euro
7000-1000 Euro
1000-1500 Euro
> 1500 Euro
I don't have regular income

1. How often do you run?

- a) Once a week
- b) More than once a week
- c) Once a month
- d) More than once a month

2. Which are the most important factors for your choice of running shoes? (Pick max. 4 of those)

- a) Comfort
- b) Good price
- c) Well known brand
- d) Long durability
- e) Modern technologies and innovations
- f) Recommendation of friends and relatives
- g) News, image, trend
- h) Other (name it please).....

3. What is the amount of money, which do you normally pay for a pair of running shoes?

- a) < 20 Euro
- b) 21-40 Euro
- c) 41-60 Euro
- d) 61-80 Euro
- e) 81-100 Euro
- f) 101-120 Euro
- g) 120 > Euro

4. What is your source of money for buying running shoes?

- a) Own money
- b) Pocket money from parents
- c) Other source (name it please).....

5. Where do you normally buy your running shoes

- a) Athletic wear store
- b) Department store
- c) E-shop
- d) Other (name it please).....

6. What motivates you to buy running shoes? (Pick max. 4 of those)

- a) To continue in running, exercising
- b) Old ones worn out
- c) Healthy life style
- d) Friends, colleagues have them and they always speak about them
- e) Aesthetics / looks / design of the particular pair
- f) The price at which it is worth to buy
- g) I got discount coupons in particular shop / of a particular brand
- h) Other stimuli (name it please).....

7. Which information channels do you use as the most often sources of information? (Pick max. 5 of those.)

- a) Internet
- b) Salespeople
- c) Friends, Relatives, Neighbours, Co-workers
- d) Information from TV ads and billboards
- e) Magazines, newspapers
- f) Consumer reports, reviews
- g) Flyers, direct-mail brochures
- h) Email newsletters
- i) Social networks
- j) Other (name it please).....

8. How important do you consider buying running shoes in a store? (1 - most important, 5 - least important)

9. What is the background of your casual purchase of running shoes in-stores?

- a) It is mostly a planned purchase
- b) I buy there running shoes only in sales
- c) It is mostly unplanned or alternative purchase
- d) I don't buy running shoes in stores

10. How frequently do you purchase a new pair of running shoes?

- a) More than once a year
- b) Once a year
- c) Once every two years
- d) Less than once every two years

11. To which brand do you tend the most?

- a) Adidas
- b) Asics
- c) Mizuno
- d) New Balance
- e) Nike
- f) Puma
- g) Reebok
- h) Salomon
- i) Saucony
- j) Other brand (name it).....
- k) I don't tend to brands

12. According to your opinion which brand meets with highest satisfaction on the mentioned attributes?

a) Comfort

- Adidas
- Asics
- Mizuno
- New Balance
- Nike
- Puma
- Reebok
- Salomon
- Saucony
- Other brand (name it please).....

b) Aesthetics / looks / design

Adidas

Asics

Mizuno

New Balance

Nike

Puma

Reebok

Salomon

Saucony

Other brand (name it please).....

c) Long durability

Adidas

Asics

Mizuno

New Balance

Nike

Puma

Reebok

Salomon

Saucony

Other brand (name it please).....

d) Good price

Adidas

Asics

Mizuno

New Balance

Nike

Puma

Reebok

Salomon

Saucony

Other brand (name it please).....

e) Well known brand

Adidas

Asics

Mizuno

New Balance

Nike

Puma

Reebok

Salomon

Saucony

Other brand (name it please).....

f) The best in technology / innovation

Adidas

Asics

Mizuno

New Balance

Nike

Puma

Reebok

Salomon

Saucony

Other brand (name it please).....

13. Which brand did you choose during your last purchase of running shoes?

a) Adidas

b) Asics

c) Mizuno

- d) New Balance
- e) Nike
- f) Puma
- g) Reebok
- h) Salomon
- i) Saucony
- j) No name brand
- k) Other brand (name it please).....

14. Reasons for purchasing the particular brand (Pick max. 4 of those)

- a) Brand loyalty / trust
- b) Comfort
- c) Aesthetics / looks / design
- d) Good price
- e) High quality
- f) Long durability
- g) Good utility
- h) Satisfaction
- i) No specific reason
- j) Other reason (name it)

15. What is the likelihood to Re-purchase the same brand? (1 most likely – 5 not at all)

1 2 3 4 5