Sport Brand Positioning Strategies’ Effectiveness and a Position-Congruity Efficiency

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Introduction
Nike Golf failed and shut down its golf equipment branch while they were still an industry success, leading by 38% and ranked #1 in the sports manufacture market. Generally speaking, the bottom line for a failing business is the firm’s inability to produce profit; however, the most predominant reasons for the failure of Nike Golf can be explained by the notion of positioning. That is, if a firm fails to identify its position and reduce the gap between how they intend to be perceived by consumers and what consumer actually perceive, failure is inevitable (Blankson & Kalafatis, 2001; 2004; Crawford, 1985; Hooley, Piercy, & Nicolai, 2012). From this perspective, assessing brand positioning effectiveness and efficiency through understanding positioning strategies and congruence is crucial to predicting and measuring financial success. To date, we have little empirical evidence on whether certain characteristics of positioning strategy is more effective than others or whether the position-congruity also leads to financial efficiency in sports contexts. Thus, the current study was conducted 1) to investigate the characteristics of positioning strategy that affect effectiveness empirically; and 2) to assess the financial performance and provide financial support for the relationship, which is often conceptually discussed with position-congruity.

Theoretical Background
Brand positioning attempts to create, change, or foster specific ideas/images of a brand to occupy a distinctive place in the minds of consumers. Based on previous research, the main positioning strategies can be categorized into tangibility (e.g., feature)-based and intangibility (abstract)-based positioning categories; intangibility-based positioning strategies can be further distinguished from benefit and surrogate positioning (Fuchs & Diamantopoulos, 2010). In general premise, researchers have claimed that the intangibility-based positioning strategies (e.g., benefit and surrogate positioning) are more effective than tangibility-based positioning strategies (e.g., feature positioning) (Sengupta, 2005; Broniarczyk & Gershoff, 2003) because consumers tend to solve problems and seek to benefit by consuming brands and do not seriously consider product-related information, but rather focus on actual and/or expected benefits. Within the intangibility-based positioning (i.e., benefit and surrogate positioning), some researchers (Lefkoff-Hagiou & Mason, 1993) argued that benefit positioning is the superior positioning strategy whereas other researchers claimed that surrogate positioning strategies are more effective than benefit positioning (Keller, 1993; Karla & Goodstein, 1998) because surrogate positioning strategy aims to create consumers’ secondary associations with external intangible aspects of a brand. Despite consistent conceptual disputes, no unified agreement on characteristics of positioning strategy that affect effectiveness was concluded. Thus, we propose the following research question to investigate the characteristics of positioning strategy that impact effectiveness empirically: RQ1. What are the characteristics of positioning strategy that affect effectiveness?

In addition, researchers discussed the financial performance of brand positioning depending on the degree of congruity (Aaker & Shansby, 1982; Blankson & Kalafatis, 2001; 2004; Crawford, 1985; Hooley, Piercy, & Nicolai, 2012). Some researchers emphasized the fundamental role of brand positioning for a firm’s financial success in the marketplace over the long term (Devlin et al., 1995; Porter, 1996). That is, when positioning is well-established and uniqueness is maximized, executives and managers can expect higher financial returns. Here, the key is the position-congruity from companies’ intended positions (i.e., intended positioning) and consumers’ perceived positions (i.e., perceived positioning). In general, as the degree of position-congruity increases, efficiency increases (Watkins & Gonzenbach, 2013). However, due to the set of personal perceptions that are influenced by relevance and importance to individuals, the intertangibility of the intended positioning may vary in an individual consumer’s mind (Friedmann & Lessig, 1987; Giroux et al., 2017; Schiffman & Kanuk, 2007) and the gap between intended and perceived may increase. Thus, it is essential to explore what consumers actually perceive from intended positioning to discuss positioning efficiency. In this regard, we proposed the following research question to examine whether the positions that consumers perceived (i.e., perceived positions) are congruent with the companies’ intentions and
whether it is highly predictable for financial performance: RQ2. What is the relationship between position-congruity and financial performance (i.e., efficiency)?

Method
The research object in the study was golf equipment brands. We have collected data from 2014 to 2016. We have used common intended position and perceived positions results from Lee et al. (in press) and utilized a questionnaire completed by 171 consumers, and secondary source data from in TTS and BTS (Bonoma & Clark, 1988) to measure financial performance, effectiveness and efficiency. We computed the positioning effectiveness scores by the strength of the positions that are perceived in consumers’ minds from 0 “not represent at all” to 6 “very strongly represents.” Efficiency was measured by the financial ratio of marketing and selling expenses to the firm’s gross operating revenue using objective secondary financial data from in TTS and BTS. To measure position-congruity, we computed the Congruity (Ck) between intended position (IP) and perceived positions (PP) by the absolute difference scores between the ratings of positions then averaged across all positions for each respondent. Utilizing Coordinates Index from the PROXSCAL results, each averaged rating was regressed. A total of 171 consumers’ ratings (a response rate: 34%) on positions were included in the data analysis and the data were calculated with PROXSCAL and Multiple Regression with IBM SPSS version 23.

Results
The results indicate that the effectiveness scores were .47 (ZRE: -.58) for feature and benefit positioning and .66 (ZRE: 1.15) for surrogate positioning strategies indicating feature positioning strategy from communication of “Equipment Quality” position in our study was as effective as benefit positioning strategy based on “Tour Performance” position. Although benefit positioning (i.e., intangibility-based positioning) was not drastically superior to feature positioning (i.e., tangibility-based positioning) as previous researchers provided, surrogate positioning strategy conveying “Tradition” position was significantly more effective than benefit and feature positioning strategies. In addition, results show the position-congruity scores range between 3.79 to 5.43 and efficiency scores were from .03 to .14. The results provide evidence of a positive relationship between position-congruity and efficiency (F(1, 170) = 74.33, p < .05, constant: -.23, position-congruity: .06, R2 = .88, Adj. R2 = .85). Accordingly, the outcomes empirically support the previous researchers’ theoretical claim that the congruent position is highly related to company’s financial success.

Discussion and Implications
The study provides clarification of (a) characteristics of positioning strategy that affect effectiveness and (b) the relationship between the position-congruity of intended and perceived positions influences companies’ financial efficiency. To the extent that our results are valid and can be supported by data from other research settings, the study of positioning strategy and congruent positioning on performance in sport industry could provide more general financial effectiveness and efficiency of sport service-oriented companies.