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RESEARCH ON THE DEVELOPMENT STRATEGY OF SPORTS BRANDS

Strategy and strategic management are important components of sports brands management. However, there is less scientific research on the strategic management of sports brands. In order to explore the deep problems which exist in the process of the sports brands development, based on the theories of strategic management, brand strategy and marketing, the article unfolds a series of systematic analysis on sports brands strategic management related issues by methods which include literature data method, expert interview method, case analysis method and comparative research method. The authors start from the basic theory of sports brands, for example the connotation, characteristics and classification of sports brands, to analyze the meaning of sports brands strategy management and the present situation which current macro-environment, industry environment and sports organizations of sports brands development around the world. The article deeply discussed brand positioning strategy, brand identification strategy, brand promotion strategy, brand extension strategy, and brand innovation strategy from the view of theory and cases. Finally, the article comes to the conclusion and suggestions for strategic development of sports brands.

Keywords: sports brands, development, brand-strategies.

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ДОСЛІДЖЕННЯ СТРАТЕГІЇ РОЗВИТКУ СПОРТИВНИХ БРЕНДІВ

У статті досліджуються теоретико-методологічні основи стратегічного менеджменту в системі управління спортивними брендами. Наводяться результати системного аналізу стратегічного управління спортивними брендами з використанням методів літературних даних, експертного інтерв'ю, аналізу випадків та порівняльного дослідження. Застосування системного аналізу дозволяє дослідити проблемні питання, які виникають у процесі розвитку спортивних брендів, на основі теорій стратегічного менеджменту, бренду та маркетингу. Автори досліджують базові теорії спортивних брендів (використовують метод конотації), сутнісні характеристики і типові класифікаційні ознаки спортивних брендів. Досліджуються сутність та значення стратегічного управління спортивними брендами, визначається поточне макро- та промислове середовище, наводяться приклади розвитку спортивних брендів відомими світовими компаніями. У статті, з точки зору теорії та кейсів, розглядаються такі бренд-стратегії, як: позиціонування, ідентифікація, просування, розширення, інновації. Наводяться обґрунтовані пропозиції щодо стратегічного розвитку спортивних брендів.

Ключові слова: спортивні бренди, розвиток, бренд-стратегії.

Introduction and Statement of the Problem. Under the background of globalization, sports brands have to face the increasingly competitive environment in the course of the process of integration into the global market. Nevertheless, the excellent sports brands were not accomplished at one stroke, especially in the increasingly fierce competitive environment. Therefore, how to build and develop sports brands

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efficiently has become the main challenge which sports organizations have to face currently. To establish sports brand image, enhance the value of sports brand and improve the competitiveness of sports brands in the global market, sports organizations have to choose or formulate kinds of effective brand strategy which can achieve sports brand goals. This is also the aim of the article. Through the research on sports brand strategic management, this article tries to discuss a series of sports brand strategies. It is effective to increase the awareness of brand strategic management of sports organization. It is also significant for the long-term run of sports organizations.

This article takes sports brand as the research object. By discussing the development history and present situation of sports brands in various countries in the world, the authors try to sort out the characteristics of sports brands from the views of brand strategy theory and marketing theory and puts forward the necessity of strategic management of sports brands.

The authors hope to form a relatively complete strategy of sports brands development which can enhance the awareness of sports organizations and the implement and manage of sports brands dynamically. Furthermore, to enhance the value of sports brands and improve the competitiveness of sports organizations is also the key purpose of the article.

Literature Review. The attention of world researchers is usually focused on marketing management of the brand, market orientation [1;11-12]. In addition, a lot of thorough research concerns strategic brand management [2;5], which allows to fully assess the existing problems and prospects of development of sports brands. There are also such researches concerning definition of brand profile and brand leadership [6-7].

Problem Statement and Research Objective. The purpose of the research is to base theoretical and methodological bases of strategic management in the system of management of sports brands.

Key Results. As a famous master in marketing area, Philip Kotler thinks that brand is a noun, mark, symbol or design, or even the combination of these elements. The main function of brand is to identify the sellers or the products or services offered by these sellers. It can also distinguish them from competitors' products and services [1]. Some scholars also believe that the definition of brand can be understood from broad and narrow aspects. The broad sense is an intangible asset with economic value. The differences of brand are abstract, unique and recognizable. There is a certain position for the reflection of consumers' consciousness. Therefore, brand building usually takes a long-term. Correspondingly, the narrow sense of "brand" is a kind of "standard" or "rule" which has internal and external aspects. It is the process of standardizing and regularizing of concepts, behaviors, visions and hearing. It is a general term of identify system which has unique, valuable and long-term characteristics. Based on the definition of brand mentioned above, the author believes that sports brands are something which can distinguish the products or services of sports organization from others. It is meaningful for the consumers in both tangible and intangible aspects. It is the guarantee for sports products that can bring emotional benefits to consumers. Sports brands are usually formed in the process of sports participation, sports experience and relevant communication. Sports brands can link sports competitions, sports products, sports organizations and the people within the sports organization with sports consumers and other stakeholders together. It can also create new value.

Sports brands can be physical products, such as Nike sports shoes, Wilson tennis rackets, sports equipment and accessories, etc. They can be sports service, such as ESPN, American Poly Power International Fitness Club, etc. They can be sports stars, such as Michael Jordan, Cristiano Ronaldo, etc. They can be sports teams, such as Real Madrid, Los Angeles Lakers, they can be an organization, such as FIFA, NBA, etc. They can be a sports event, such as the Olympic Games, National Games, FIFA World Cup, Super Bowl, etc. They can be a sports media company, such as ESPN, Sky Sports, they can be stadium, such as Nest-type Beijing Olympic Stadium, Wimbledon tennis court, etc. They can be sports drinks, such as Gatorade, Red Bull.

According to views of scholars in sports industry area, sports brands can be divided into three major categories. They are sports core industry brands, sports support industry brands and sports peripheral industry brands. The core sports brands are composed of sports event brand, sports team brand, athlete brand, coach brand, sports fitness brand, professional club brand, etc. Sports support industry brands include sports goods manufacturing, sports retail brands, sports media brands and stadium brands. Sports peripheral industry brands include sports tourism brands and sports development funds. During the process of sports brands studying, it should be emphasized that we should pay more attention to those typical characteristics that are different from non-sports brands and the personality characteristics for certain sports brands.

Throughout the development history of sports brands, global sports brands have experienced from sprout to matureness, from single industry operation to diversified operation. These processes are closely related to sports consumption needs, the brand awareness of the operators and changes in the external environment. In general, the current status of global sports brands has the following characteristics: The degree of development of sports brands varies in various fields. It is uneven for the distribution of sports brands in various countries. There are high correlations between different sports brands. The competition between sports brands has become increasingly fierce. The development of sports brands increasingly relies on the high-quality technologies, advanced materials and high-quality services for serve consumers.

Kevin Cairn Keller thought that strategic brand management includes design, evaluation and management of marketing plans of brand equity and the design and implementation of related activities [2]. J Miller, D Muir believes that brand strategy could not just include marketing, advertising, efficiency improvement and market positioning. Finally, they proposed that the brand strategy is the enterprise strategy [3].

Brands strategy has become an important means of strategic development of sports organizations. It plays an increasingly role under the background of globalization. Brand strategies, such as brand identify, brand promotion, brand innovation and brand expansion, have created many innovative business models of the sports industry. Based on these theories, the authors try to form a sports brand strategy which includes sports brand positioning strategy, sports brand image strategy, sports brand promotion strategy, sports brand extension strategy and sports brand innovation strategy. By analyzing these five parts, the article makes contributions to achieving the goals of increasing the value of sports brands and improving the strategic management of sports organizations' competitiveness.

Brand positioning is part of the brand identity and value proposition that is to be actively communicated to the target audience and that demonstrates and advantage

over competing brands [4]. Brand positioning strategy refers to the overall planning and long-term plan for the positioning of sports brands. It constantly adjusts and updates according to changes in operation variables. Brand positioning mainly helps the enterprise to establish a unique brand image which related to the target market. Thereby, a deep impression will be left in the minds of consumers which is effective for consumers to distinguish the aim brands from other brands [5].

Sports brand positioning mainly consists of three dimensions. They are consumer audience, competitors and the brand itself. The sports brand positioning strategy deeply impacts on the market positioning, the enhancement of core competitiveness and marketing activities. Therefore, the implementation of the sports brand positioning strategy requires the determination of target customer market should be established on market research and competitive analysis and fully considerate the advantages and resources of the sports organization itself.

Li Ning, the most famous China's domestic sportswear brand, sets a typical failure example of sports brand positioning strategy. For the aim of transforming into a high-end brand, Li Ning's new strategy attempted to get rid of the low image in the past. Therefore, Li Ning reduced the price gap with other international brands like Nike and Adidas by increased the price gradually. Furthermore, in order to meet needs of brand's new positioning, Li Ning implemented another typical failure change, the company changed its LOGO. At the same time, Li Ning selected Dwyane Wade who is a famous NBA star as the new spokesperson. A series of brand re-positioning steps led the company fall into dilemma. Only in 2012, Li Ning suffered a loss of 2 billion yuan and finally fell down from the first status of Chinese domestic market. There are several reasons led to its failure. Firstly, the excessive market segmentation and extremely consumers positioning made Li Ning lost of original customer. Secondly, the sportswear's personality and technology is not match the price and meet the high-end consumer's. Thirdly, the LOGO carried important factors of brand character and connotation for consumers' understand and memory. It determines the strength of consumers' memory to the brand. Therefore, the change of LOGO became another important step to failure. Finally, Li Ning's main market is Chinese domestic market, the overseas sales accounted for only 1%. In contrast, Li Ning lost the advantage of national sentiment from consumers and the domestic market. To sum up Li Ning's failure, the inaccurate brand positioning is the ultimate reason. Therefore, the scientific and reasonable brand positioning plays a decisive role in sports brand strategy.

Brand identity is a unique set of brand associations implying a promise to customers and includes a core and extended identity [6]. To be effective, brand identity needs to resonate with customers, differentiate the brand from competitors, and represent what the organization can and will do over time [7]. A famous brand typically has high customer loyalty, name awareness, perceived quality, strong brand associations, and other assets [8].

As shown in figure 1, the model of brand identity system made by Zhang shows all the brand identity elements and their relationship in the structure. Based on this model, sports organizations can select sports brand elements they need, and build the sports brand identity system of themselves. It is effective to guide brand promotion activities, build a clear brand image in the minds of consumers and improve the brand loyalty and market competitiveness.

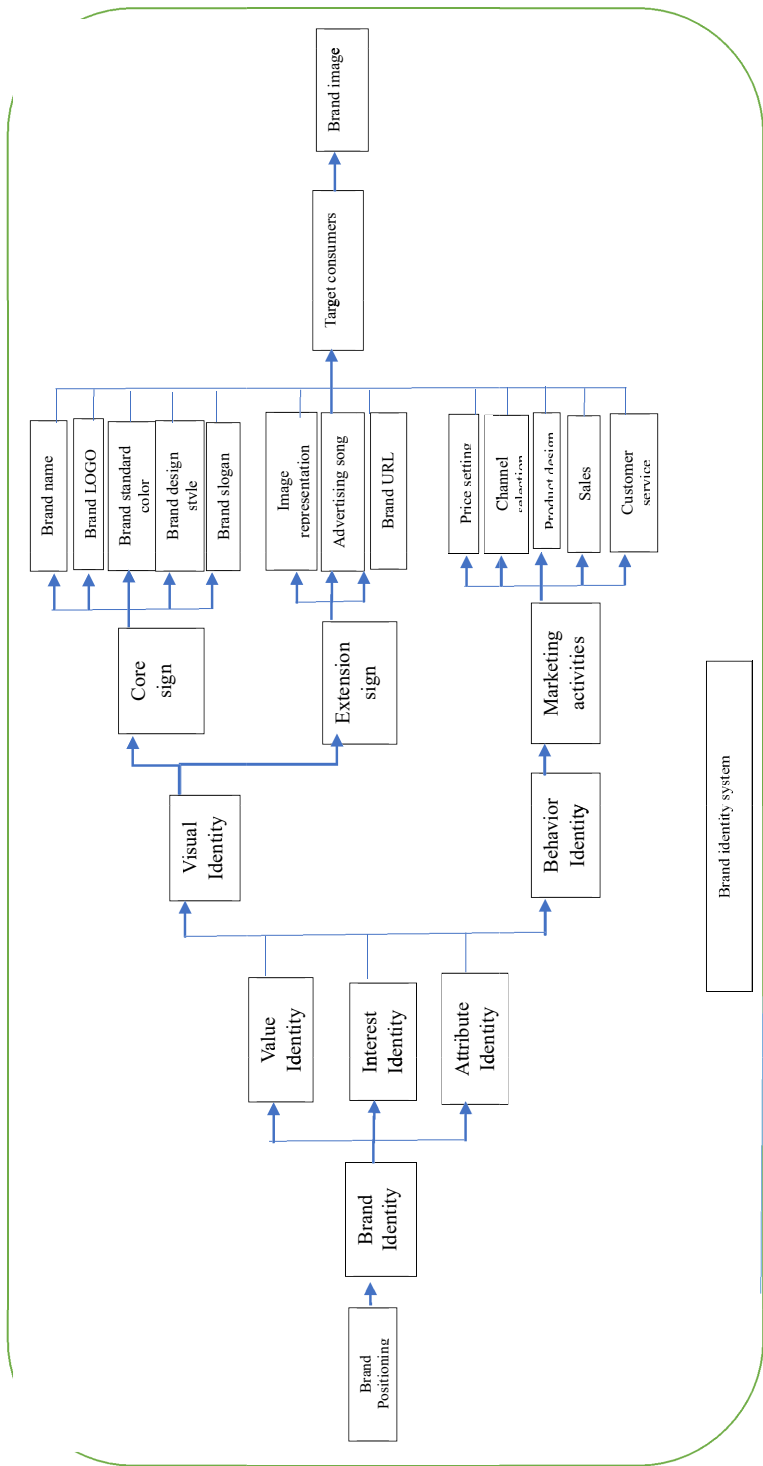


Figure 1. Diagram of The Model of Brand Identity System

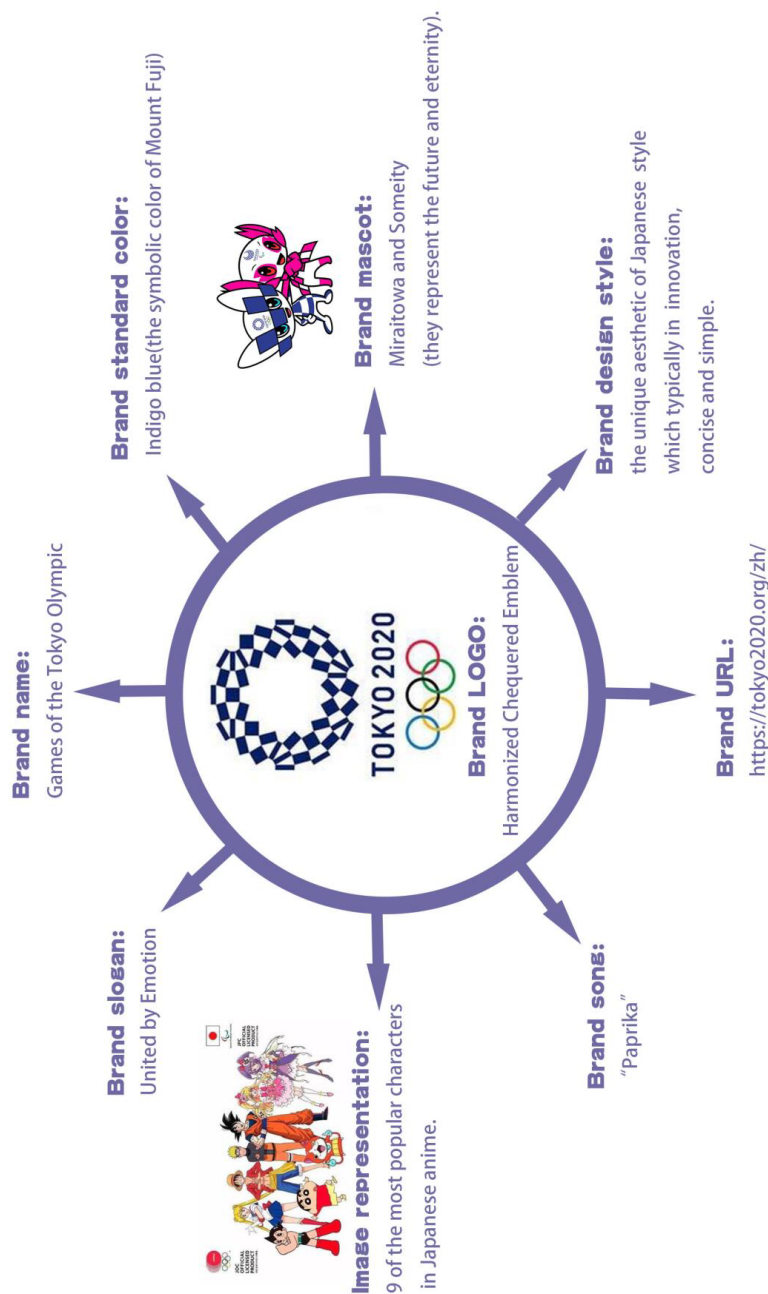


Figure 2. Diagram of Tokyo Olympic Brand identity System

As vividly shown in Figure 2, Tokyo 2020 Olympic Games show us parts of brand identity system of Olympic Games clearly. The implementation of scientific and systematic Olympic Games brand system is the best sample for other sports event brands. According to the statistics, the value of Olympic Games is \$ 375 million which has the most valuable event in the world.

Sports brand promotion has a great significance the successful building of sports brands. Brand promotion, also known as brand communication, refers to a series of communication activities between the brand and the customers. It is helpful to establish the expected brand knowledge structure and stimulate the customer's response in the mind of the customer. The broad sense of sports brand promotion includes all the marketing activities related to the building of sports brand, the narrow sense of brand promotion refers to the promotion of brand reputation, especially the brand name, is the beginning of the entire brand promotion activity. Sports brand promotion consist of a series of communication activities which sports organizations plan and implement actively. There are many forms of communication channels, such as inter-organizational communication, the communication between sports event organization and consumers or the communication among stakeholders. Interestingly, social media and mobile apps are changing the way marketers approach their branding strategies [10].

Specifically, the promotion of sports brands, such as advertising promotion, cultural promotion, media promotion, public relations promotion and spokesperson promotion, improves sports consumers' familiarity to the brand. Brand awareness, reputation, and building brand loyalty can also be promoted effectively.

Table 1 shows us the statistics of Nike and Adidas which the top 2 sportswear brands in the world.

Table 1. The information of NIKE and ADIDAS in Global 500 [10]

Indicator	NIKE	ADIDAS
Rank of Fortune 500 in 2019	341	481
Brand value, \$M	36,8	11,2
Revenues, \$M	25920	36397
Profits, \$M	2008,6	1933

Data Sources: <http://www.fortune.com/>

From Table 2, we can see the main ways and investments in brand promotion of them.

Innovation is a core driving force that allows for the creation of new opportunities and markets [11]. In fact, brand is not a static concept, but a dynamic concept. In the fierce competition environment of global markets, if the brand had no innovation, it will be eliminated unavoidably. Take technological innovation as an example, goal line technology in FIFA world cup, hawk-eye tracking system in tennis events and shark skin-inspired swimsuits for swimmers, all these innovations can help the sports brand to keep moving forward with the times.

Table 2. The statistics of brand promotion about NIKE and ADIDAS

Ways of brand promotion		NIKE	ADIDAS
Event promotion	Olympic games	2008; 2012	2016; 2028
	FIFA World Cup	Since 1970	
	NBA	2006-2015	2016-2023
Team promotion	Number of sponsored teams in 2018 FIFA World Cup	10	12
	Number of sponsored teams 2020 UEFA Champions League	5	5
	Number of sponsored top 100 football players in 2018	34	43
	The total value of the top 100 players in 2018	2,26 billion euros	2,98 billion euros
	Sponsorship of NBA All-Star players in 2019	90 \$M	3,65 \$M
	Number of sponsored key players of NBA in 2019	19	82
Athlete promotion	Brands sponsorship of Top 10 global athletes	Roger Federer	Lionel Messi
		Tiger Woods	
		Cristiano Ronaldo	
		LeBron James	
		Neymar	
Media promotion	The number of fans on Twitter, million	8,15	3,77
	The number of fans on Facebook, million	33,8	37,1
	The number of fans on Instagram, million	0,88	3,36
	The number of fans on Tik Tok, million	0,4	0,98
	The number of fans on Sina Microblog, million	1,44	0,49

Tables 3 and 4 clearly shown the technological innovations of Anta Sports Products Company in recent years.

Table 3. The number of patents of Anta in 2009-2018

Indicator	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
All patents	38	93	104	96	70	69	76	104	163	194	1033
Invention	0	10	11	9	1	16	20	16	37	33	154
Utility model patents	3	8	5	14	14	13	6	9	26	35	138
Appearance patents	35	75	85	67	45	36	48	69	88	122	690
Invention authorization	0	0	3	6	10	4	2	10	12	4	51

In 2005, Anta took the opportunity to sponsor the CBA (China Basketball Association) as an opportunity spend 30 million yuan to establish the first sports science laboratory in China. It completed China's first professional database for the foot shape of basketball players and measured CBA professional basketball players of 14 teams completely. Today, Anta has five major R & D centers in the United States, Japan, South Korea, Hong Kong and Mainland China. They are attracting nearly 200 experts in design and R & D area from 20 different countries and regions. As of 2017, ANTA totally invested 479 million yuan on R & D which was the highest in Chinese domestic sports brands. Obviously, technology innovation is a core driving force which helps Anta become one of strength brands in the international market.

Brand extension strategy is an important part of the brand management of sports events industry. It refers to a marketing strategy that applies the original brands to derivative products or services. The considerable reputation and market influence of original brand can reduce their risk of entering the market. Therefore, high reputation brands can play a greater function of leverage for extensions than weaker brands [12].

The extension from products of sports events to other product categories is the most common and the most important extension strategy. That is to say, it is a typical cross-industry extension. The brand events can extend to clothing, Internet and other industries by the way of brand licensing. Brand licensing refers to agreements between companies that use the names, designs, features, or other elements of other brands by paid a certain fee [2].

For instance Tokyo Olympics in 2020, the official souvenir shop sells a wide variety of products, including souvenir, T-shirts, badges, hats, stationery, as well as Japanese yukatas and fans which are the symbol of Japan. However, among all these extension products, mascot is the most popular souvenir. Another example is Adidas, the brand is famous for its sportswear and footwear globally. But it also develops perfume, shower gel, shampoo, beading and other daily necessities, which is very popular among young men and women who love sports.

It should be noted that brand extension is not without any risks. When we discuss the strategy of brand extension, we have to consider the positive brand association of the original brand. It guides the consumers can feel consistency of the extension of the product and the original brand.

Conclusions and Directions for further investigation. After analyzing and sorting out the global sports brands strategy, the article comes to the following conclusions: Brand strategy has become increasingly important for the development of sports organizations. The implementation of strategic management of sports brands can promote the value-added of sports brands, improve the competitiveness of sports brands, and enhance the core competitiveness of sports organizations. When sports organizations carry out sports brand strategy, the determination of brand position should be based on the core values, interests, personality, and target market of brand. While the process of realize the consistency of sports brands identity and sports brand image, effectively manage the sports brand image formed in the minds of consumers. The specific goals and contents are the premises of the brand promotion strategy. Then the brand can choose the further steps to integrate marketing communication elements and strategies and implement them. Sports brand innovations, for example

Table 4. The representative patented technologies of Anta

	Breathable comfort technology	Thermal technology	Waterproof technology	Antibacterial technology
Clothing technology	1.Organic cotton 2 Smart window 3. Ice-sensing technology 4. Sweat-absorbent and quick-drying technology 5.Ice skin III technology 6.Anti-static Technology	1. Far-infrared thermal technology 2. Heating technology 3. Reflective thermal technology 4. Green thermal technology 5. Hollow thermal technology 6. Lightweight thermal technology	1.Rain-wing Technology 2.Waterproof and breathable technology 3. Water-repellent technology 4. Excellent waterproof and breathable technology	1. Energy shield 2. Antibacterial technology
	Outsole technology 1. Wear-resistant rubber 2. Anti-slip rubber 3. Outdoor claw technology	Rebound cushioning technology 1. Flash Energy Technology 2. Dynamic Network Technology 3. Elastic rubber 4. Core technology 5. Dynamic foam 6. Soft column 7. Dual bearing technology	Package support technology 1. Dynamic Cable Technology 2. Energy ring 3. Toe Protection 4. Arch support and stability technology 5. Elastic foot arch 6. Anti-turning device 7. Side claw alarm system 8. Five-wheel drive controls technology 9. Adequate Technology 10. Flexible function 11. Easy-to-twist technique	Vamp technology 1. Translink technology 2. Suction net 3. Efficient ventilation design 4. Optical technology
Footwear technology				

technological innovation, quality innovation, business model innovation, and corporate culture innovation, are also the key to enhancing the vitality of sports brands. By ways of brand franchise, brand authorization, brand alliance, brand mergers and acquisitions, sports brands extension can also further promoting brand influence and value. Finally, in order to further promote the practice of sports brand strategy, scholars and sports organizations should establish an evaluation mechanism dedicated to sports brands. Because by the conduction of feasibility evaluation of sports brand strategies, or regularly evaluate the implementation effect of sports brands strategy, sports organizations could make or adjust the brand strategic management from the perspective of customers and market performance accurately and timely.

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