



BRANDING: EFFECTIVE STRATEGIES TO PROVIDE COMPETITIVE ADVANTAGE FOR INTERNATIONAL BUSINESSES

Dr. Fidelis E. Abba, Ph. D. Graduate- Istanbul OKAN University

Prof. Dr. Özgür Çengel- Istanbul AREL University

Abstract: The essence of this research would be to focus on Branding, which is an effective strategy that provides competitive advantage for international businesses. These strategies for improving competitive advantage include cost leadership, production differentiation and focus strategy. The research employed an online survey questionnaire for the sampling technique. Two hundred and twenty online survey questionnaires were filled by Correspondent. The study used Statistical Package for Social Scientists (SPSS v28) statistical tool for data analysis with conclusive findings. Descriptive statistics, (ANOVA) Analysis of variance, Correlation and multiple regression analysis were used to summarize the result presented. The findings concluded that branding has a major impact on competitive advantage. This study recommends that companies should pursue the establishment of immense branding capacity to ensure their long-term survival and competitive advantage in the strict competition.

Keywords: Branding, Cost Leadership, Product Differentiation, Focus Strategy, Competitive Advantage

I. INTRODUCTION

Branding is a practice that has come a long way in the history of business and remains essential to date. From its humble beginnings, branding was perceived as an identification mark, which has evolved to its current position, where it is used to communicate with customers and other stakeholders (Gupta et al., 2020). Today, business organizations use branding as a unique technique that helps control and manage consumers' perception of the image of products and services offered by these organizations. In the modern era, branding has been used to create a sustainable competitive advantage for businesses. In most cases, branding has always been referred to as the backbone of marketing. This is because branding is essential in distinguishing different products and services organizations offer. Operating without any brand, your business cannot be distinguishable to potential and current clients. Branding gives a business a cohesive feel across the vast industry where different organizations exist (Zuzana, 2017). This is created explicitly by various aspects such as logos, color scheme, tag line, and persuasive messages drafted to allow customers to decide how you go against competition before even getting to meet the organization.

The deeper a business organization can decide to invest in branding, depends on various factors. Most commonly, it depends on the business model that the organization uses. A good example is where buyers attest to the latest Smartphone companies. In tech companies, the buyers of smartphones will mainly go to companies that heavily invest in branding and innovation (Feiz et al., 2017). This raises many questions, especially on how branding value strategies can help an organization gain a competitive advantage. Porter's generic strategies are methods that were created to magnify how business organizations can gain a competitive advantage. To be precise, they are strategies that help companies to develop the "edge" that will get them the sales and take it away from the competitors. In this manner, cost leadership will play a great role in moving customers to your business. In cost leadership, the company will mostly focus on how it can reduce the costs to deliver services or products to the customers. Generally, this technique consists of a company making attempts to gain market share by appealing to cost-restricted customers or cost-conscious customers and consumers (Gupta et al., 2020). The main of companies utilize this strategy is to become the lowest-cost producer in their chosen market. Even though most companies will aim to do away with unnecessary costs, the ones that will use this strategy makes lowering all overheads their number one priority. In cost focus strategy, a company seeks to develop a lower-cost advantage but not to the entire production. The company only decides to develop a low-cost advantage within its small segment of the market. The products or services offered under this strategy will generally be basic, acceptable to a limited number of consumers to be able to make profits, and also be vaguely similar to the average market-leading products even though most popular services or goods may be sold at a higher price. Differentiation focus is the most common niche marketing method used by many business organizations and small businesses can apply this strategy to force themselves into a niche. This can be done by simply coming up with unique products or services which can be sold for higher prices compared to other same undifferentiated products due to innovation or specialist knowledge (Abimbola, 2010).

Nike uses a monolithic brand architecture, which entails creating a single house representing the company's products and services. The approach is crucial in ensuring the company's products stand out in the market (Dyer, 2020). That is because, despite targeting different market segments, the brand tends to transmit the same Nike energy using the single house model (Merikanto, 2019). That way, Nike manages to diversify its product offerings while at the same time maintaining consistency in the brand image across the different sub-brands and products. That has helped Nike appeal to different consumer groups without diluting its brand equity, which

will be observed in the data analysis by testing whether clients consider their past experiences with the brand when purchasing different sports attires and items (Yan et al., 2022). Based on this, it can be argued that having the right brand architecture or using the monolithic approach can have a major competitive advantage. The main objective of this current study was to determine the effectiveness of branding as a strategy for gaining a competitive advantage for companies in an international market.

2. THEORETICAL BACKGROUND

2.1 Branding and Competitive Advantage

Nike Inc. is one of the world's most renowned sports apparel companies. Over the years, the company has built a good brand reputation, which is one of the critical reasons it remains competitive amidst significant societal changes. It is evident that there is a close relationship between branding and competitive advantage. That can be attributed to the fact that by creating a solid brand reputation in the market, the firm ensures that it stands out amongst the competition. That plays a significant role in enhancing the business' competitive advantage because whenever clients want to buy a specific product or service that the particular company sells, they will first think of the well-renowned brand (Dougherty, 2022). That would explain why Nike Inc. has dominated the sports attires industry, especially the footwear market, for a long time. Robinson (2021) explains that Nike has grown into a world-renowned sport, footwear, and Apparel Company since it was created in 1964 by Phil Knight. The American company is based in Oregon but has managed to grow its brand reputation to a point where it currently supplies activewear, footwear, and sports equipment globally through its more than 1000 retail stores across the US and outside the country. Besides, the firm has also established large e-commerce platforms and wholesale ventures, which significantly strengthen the company's brand reputation. In the apparel industry, Nike has used different strategies to develop a unique brand reputation, which is aimed at helping ensure that clients worldwide can trust the brand based on quality, values, and ethical principles. Thus, this study posit that:

H0: Branding significantly affects the competitive advantage of Nike Company.

H1: The competitive advantage of Nike Company is not affected by branding in any way.

2.2 Cost Leadership and Competitive Advantage

Studies show that the cost leadership strategy significantly benefits brands, especially for large and well-established companies. For example, the strategy improves a brand's market reach and availability by empowering the company to produce more products and avail them even to the low-priced customer segments (Alkasim et al., 2018). When the brand of a well-established company is easily available to customers in almost all locations, it becomes more appealing through brand recognition. Nike uses the cost-leadership strategy by outsourcing low-cost manufacturers, mostly from developing countries. Therefore, the brand has attained market penetration, presence, and visibility in extensive global markets and segments. However, a cost leadership strategy can also negatively impact a brand. For example, a brand can get involved in scandals associated with cost-minimization efforts, as witnessed in the Nike brand a few years ago. As mentioned earlier, Nike's cost leadership strategy involves outsourcing low-cost labor. In the 1990s, the strategy led to a major negative impact on the Nike brand after reports emerged that the company was exploiting child labor in some developing countries such as Pakistan and Cambodia (Lucchini & Moisello, 2019). Other reports emerged that workers were mistreated, underpaid, and worked long hours under harsh conditions. The media spread the news and tarnished the brand's reputation during the period. Scholars have also cited some positive and negative impacts of the cost leadership strategy on a company's competitive advantage. For example, Bayraktar et al. (2017) state that companies gain a major competitive edge from the economies of scale emerging from large-scale production and sales. The company gets an increased ability to bargain with suppliers and set affordable prices for its target customers. The strategy has helped strengthen Nike's position against its aggressive rivals, such as Adidas and Puma, and also against the local footwear and apparel business in its various locations globally. Consequently, the strategy generates huge profits, providing revenue for other business functions such as marketing and promoting (Gregory, 2022). The company uses the revenues for high-cost advertising involving famous athletes and celebrities, which also translates into a major competitive advantage. according to Su et al. (2017), although cost leadership boosts a company's profitability, it applies a focus that may negatively impact competitiveness. Thus, this study posits that:

H0: Cost leadership does not affect Nike's branding at all, nor does it has any impact on the company's competitive advantage.

H1: There is a significant impact of cost leadership on Nike's branding and competitive advantage.

2.3 Product Differentiation on Branding and Competitive Advantage

For a business to stand out, it must differentiate its products from others in the same industry or market. Apparently, as determined in this research and from insights gained from secondary sources on Nike's branding strategy, product differentiation is one of the firm's main approaches to building its brand reputation. It is among the main strategies the company uses to improve its competitive advantage and enhance its profitability. There are different forms of differentiation, all of which aim at ensuring that target clients can easily identify the product or service that the firm is selling. Besides, differentiation also helps ensure that clients get a different feel from using the business' products compared to when they use products and services from rival firms in the market (Luenendonk, 2019). In Nike's generic competitive strategy, the firm uses products that represent exclusivity and uniqueness while at the same time targeting the entire market. For instance, the firm's trendy and sporty sneakers allude to renowned individuals such as celebrities or professional sports personnel. However, it is worth noting that the company has developed its products to serve the average clients. To successfully implement this generic strategy, the company relies on the 4Ps of marketing (Houragham, 2022). That is seen in the fact that the firm relies heavily on celebrities in terms of product mix and advertising/promotion. In doing so, the firm creates products that are excluded from the others in the same industry, ensuring that the business competes more effectively with other firms in the same industry. The strategy significantly builds up the business' competitive advantages and strengths, aiding its international branding (Gregory, 2022). It is also worth noting that as part of the diversification, Nike Inc. focuses highly on intensive growth strategies, especially regarding product development. The main goal behind the company's differentiation strategy is to ensure that the company separates its products from others in the same industry.

Hart (2022) explains that marketers use different methods to communicate with clients, such as social media marketing and other tools. However, that does not help them in their branding and sales success as the element of differentiation. That is because by differentiating, the firm communicates to the client about value. From a marketing perspective, differentiation plays a significant role in setting the firm's products and services apart from the substitutes available in the market. Nike Inc. has understood this as a result invested heavily in product differentiation; hence, regarding the hypothesis that argues "Nike's differentiation strategy does not help in its branding," the findings in the study reject it. Further, it is worth noting that Nike Inc. uses its cost leadership model, which

mainly entails outsourcing production to further differentiate its products in the market based on the prices. That is a strategy that has so far helped ensure that Nike Inc. can offer its products at competitive prices, ensuring that the firm can continue standing out or, rather, outshining the competition. Thus, this study posits that:

H0: Product differentiation strategy does not affect Nike's branding; neither does it promote competitive advantage.

H1: product differentiation strategy promotes Nike's competitive advantage and helps in building the company's brand.

2.4 Focus strategy on Branding and Competitive Advantage

Focus strategy is always regarded as an evolution of Cost Leadership and product differentiation. Focus strategy consists of two parts, "Cost" and "differentiation". In cost focus strategy, a company seeks to develop a lower-cost advantage but not to the entire production. The company only decides to develop a low-cost advantage within its small segment of the market. The products or services offered under this strategy will generally be basic, acceptable to a limited number of consumers to be able to make profits, and also be vaguely similar to the average market-leading products even though most popular services or goods may be sold at a higher price. For the differentiation focus strategy to be successful, a company will have to identify the different sets of needs that a small group of consumers wants compared to the wider market population. In this manner, when there is no variation in the needs of the small number of consumers in a given area, then there will also be no valid reason for differentiation focus. To be more successful, the company must also make sure that there is no other rival company appealing to the unique and specific needs already identified by the consumers. Differentiation focus is the most common niche marketing method used by many business organizations and small businesses can apply this strategy to force themselves into a niche. This can be done by simply coming up with unique products or services which can be sold for higher prices compared to other same undifferentiated products due to innovation or specialist knowledge (Abimbola, 2010). The cost and differentiation focus strategy when used by Nike has all advantages that are offered by the Cost Leadership and product differentiation strategy but may even provide more benefits to a company that executes it tactically. Thus, this study posits that:

H0: Cost and differentiation focus does not affect Nike's branding or competitive advantage.

H1: Cost and differentiation focus causes a statistically significant difference in competitive advantage gained by Nike and also helps in building the company's brand.

3. METHODOLOGY

3.1 Data Collection Procedure

The online questionnaire was formulated and distributed through SurveyMonkey (surveyMonkey.com). This online survey company has grown to become a more precise, reliable, and trusted Survey Company with distinctive characteristics in their final output for easy data analysis. The company also has appealing and comprehensive design and administering capabilities. Further, it has inbuilt data analysis techniques useful in understanding data distribution throughout the collected data. The first step was to identify a single Nike product user. They were emailed the questionnaire link and asked to invite their friends who were interested or were customers to the company. On the other hand, the researcher also distributed the questionnaire to those who were not entirely loyal to the Nike Company. This group acted as the control group in the survey. They were requested to complete the questionnaire and submit it within 72 hours of receipt. The study implemented a convenient sampling technique targeting 222 respondents. 210 respondents successfully returned questionnaire was utilized formulating a 95.9% response rate.

3.2 Measurement

This study questionnaire consists of demographic and background information about the participant. This included the names, gender, age, annual income places of work, and experience dealing with a pricing agency. The other part of the questionnaire included 13 research question used to measure branding, competitive advantage, cost leadership, product differentiation, cost focus strategy and differentiation focus strategy using five Likert scale ranging from strongly agree to strongly disagree.

3.2 Data Analysis Procedure

This study analyzed the collected data using SPSS v28. The collected data was analyzed using a regression statistical analysis model. In this aspect, brand loyalty was the dependent variable, while the rest of the variables formulated the independent variables that influenced the brand loyalty levels. The researcher collected information on the influence of branding on product preference concerning changes in pricing. Adopting the regression model influenced the study of the interaction between the dependent and the independent variables in equal measures. A Cronbach's alpha was also calculated to determine the internal consistency of the stated measurements. A concurrent validity test was also conducted to determine how much the measure and an alternative measure are positively correlated. Further, a collinearity test was also conducted to determine how closely related the study variables are. Any variables with strong correlations were eliminated since they would contribute to false predictability.

4. RESULT AND DISCUSSION

4.1 Demographics of Respondents

From the respondents' data on gender, there were 134 male and 73 female respondents. The females comprised 34.8% of the total respondents, as the males formulated 63.8%. The respondents were categorized in terms of age bracket. From the responses, 21 were between 18 and 29, 144 were between 30 and 44, 39 were between 45 and 60, and 6 were above 60 years. The respondents were categorized in income brackets, as shown in the table below. From the table 4.1, the majority (27.1%) earned more than 200K.

Table 4.1: Demographic Distribution

Items	MCQ	Frequency (N)	Percentage (%)
Gender	Female	73	34.8
	Male	134	63.8

Age	>60	6	2.9
	18-29	21	10.0
	30-44	144	68.6
	45-60	39	18.6
Income	>200,000	57	27.1
	10,000 - 24,999	36	17.1
	100,000 - 124,999	28	13.3
	125,000 - 149,999	9	4.3
	150,000 - 174,999	2	1.0
	175,000 - 199,999	10	4.8
	25,000 - 49,999	29	13.8
	50,000 - 74,999	17	8.1
	75,000 - 99,999	13	6.2

4.2 Distribution for Research Question

The respondents were asked if brand influenced them when purchasing a product. From the table below, 50.5% agreed that the brand influenced their purchase. Further, one of the respondents strongly disagreed with the majority of the remaining participants being neutral about the influence of the brand on their ability to purchase a certain product.

The respondents were asked how often they purchase from their preferred brands in the second question. From the responses, more than 57.6% stated they agreed they purchased from their preferred brand often. However, 9.5% were neutral, as 2.9% stated disagreed with the claim that they often purchased from their preferred brand.

The respondents were also asked if they initially attempted to shift brands. From the responses, 42.9% agreed they once attempted to change the brand. On the other hand, 26.7% were neutral on such attempts, and 3.3% strongly disagreed about attempting a product preference shift.

The respondents were also asked how often they substituted their preferred brands. From their responses, more than 29.5% agreed they often substituted whenever a need arises. On the other hand, 21.4% were neutral while more than 34.8% disagreed they changed their preferred brand.

They were also asked to state their take on their purchase of their preferred brand if the prices changed. They responded by 18.6% being neutral, more than 8.6% disagreeing, and 49.0% agree they would change products if the prices changed.

They were also asked if they could change brands if the prices changed by the least percentage (1%). This was to check if the respondents could change brand if the prices changed by the bear minimum. From the responses, 51.9% stated they agree they could change their brands if the prices changed by 1%. On the other hand, 10% disagreed they could change the brands if the prices changed by 1%. On the contrary, 16.2% stated they were undecided on changing brands due to a mere 1% price change.

The question about price changed targeted those respondents who could change the brand if the price rose a little bit higher than 10%. From the responses, 32.9% stated they agree they will change brands if the prices increased by 10%. On the other hand, more than 22.4% stated they would still purchase from the same brand even if they changed prices by 10% or so. Further, 26.2% were undecided on this price change and the impact it would have on brand preference.

Further, 20% stated they could change brand preference more easily if the price changed by 50%. On the other hand, 18.6% were undecided, and 11.4% strongly agreed they could keep purchasing from the same brand regardless.

From the responses, more than 52.9% stated they could not keep their brand preference if the prices changed by 100%. On the other hand, less than 27.2% stated they agreed to purchase from the same brand if the prices changed by 100%. Finally, 17.1% were neutral on the issue

The researcher also exposed the respondents to various pricing strategies and their influence on brand preference. From the responses, more than 64.3% stated they agreed economic pricing used by the companies influenced client maintenance. Further, 26.7% were neutral on the issue.

In addition, 57.6% stated price skimming used by the preferred brand helped with client maintenance. Further, 31.9% were neutral, and 5.7% disagreed with the idea.

Premium pricing was also used to determine brand preference. More than 53.0% stated they agreed premium pricing was effective in maintaining brand preference. On the contrary, 31% stated otherwise.

This was the main intent of the study. This question focused on the dependent variable, the influence of branding as a competitive advantage on brand preference. The question is intended to measure the level of loyalty that purchasers have on a brand based on pricing. From the responses, more than 78.1% of the respondents stated they agreed that pricing influenced brand loyalty, which subsequently influenced preference. More than 7.2% disagreed with the influence of pricing on brand preference, while 12.9% were neutral.

Table 4.2: Distribution for Research Questions

	Agree N(%)	Disagree N(%)	Neutral N(%)	Strongly agree N(%)	Strongly Disagree N(%)

You are affected by a brand when purchasing a product	106(50.5)	12(5.7)	43(20.5)	46(21.9)	-
You often purchase from your preferred brand	121(57.6)	6(2.9)	20(9.5)	59(28.1)	1(.5)
You are attempting to shift brands.	90(42.9)	38(18.1)	56(26.7)	13(6.2)	7(3.3)
You substitute your preferred brand often	62(29.5)	73(34.8)	45(21.4)	19(9)	8(3.8)
You will purchase from your preferred brand if the price changed	103(49)	18(8.6)	39(18.6)	45(21.4)	2(1)
You will purchase from your brand if price changed by 1%	109(51.9)	21(10)	34(16.2)	38(18.1)	4(1.9)
You will purchase from your brand if price changed by 10%.	69(32.9)	47(22.4)	55(26.2)	25(11.9)	11(5.2)
You will purchase from your brand if price changed by 50%.	42(20)	68(32.4)	39(18.6)	24(11.4)	33(15.7)
You will purchase from your brand if the price changes by 100%.	30(14.3)	55(26.2)	36(17.1)	27(12.9)	56(26.7)
You believe the economic pricing strategy used by your preferred brand is effective in maintaining clients	100(47.6)	11(5.2)	56(26.7)	35(16.7)	3(1.4)
You believe the price skimming strategy used by your preferred brand effectively maintains clients.	93(44.3)	12(5.7)	67(31.9)	28(13.3)	5(2.4)
You believe the premium pricing strategy used by your preferred brand is effective in maintaining clients.	101(48.1)	14(6.7)	65(31)	20(9.5)	6(2.9)
Pricing strategies affect	114(54.3)	13(6.2)	27(12.9)	50(23.8)	2(1)

your brand loyalty												
--------------------	--	--	--	--	--	--	--	--	--	--	--	--

4.3 Correlation

The researcher used a 5% and a 1% significance value. The 5% significance was indicated by a single star * while two stars indicated the 1% (shown in table 4.3). From the correlation output, there was a statistically significant relationship between question one and question 6. There was also a statistically significant correlation between questions 3 and 4,5,8,9, and 11. Question 4 also correlates to 3 and 13 significantly. Question 5 correlated significantly with questions 3, 6, 7, 9, 10, and 13.

Table 4.3: Correlation

	1	2	3	4	5	6	7	8	9	10	11	12
1 R	1											
2 R	.44 9**	1										
3 R	0.0 66	- 0.006	1									
4 R	- 0.088	- 0.131	.33 2**	1								
5 R	.21 5**	.29 7**	0.0 26	0.0 59	1							
6 R	.28 4**	.20 5**	- 0.076	- .188**	.36 4**	1						
7 R	0.1 26	.14 1*	- .172*	- 0.019	.40 1**	.27 5**	1					
8 R	0.0 01	.16 9*	- 0.042	.13 7*	.36 4**	- .139*	.60 9**	1				
9 R	- 0.087	0.0 9	- 0.025	0.0 92	.21 9**	- .253**	.47 0**	.86 0**	1			
10 R	.19 5**	.30 7**	- 0.092	- 0.022	0.1 09	0.0 21	.16 9*	.21 8**	.18 6**	1		
11 R	.14 3*	.14 3*	- 0.095	0.0 44	.17 1*	0.0 72	.25 4**	.20 3**	.18 0.1	.50 9**	.66 2**	1
12 R	.25 0**	0.0 87	.16 3*	0.0 4	.16 9*	.15 9*	- 0.057	- 0.051	- 0.127	.18 1**	.22 1**	.15 3*

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

4.4 Regression

The researcher formulated a regression equation model using the dependent and the independent variables to enable futuristic determination of the influence of branding on preference using similar independent variables in other study populations. The resulting regression model utilized the coefficient values as indicated below;

$$\text{Impact of pricing on brand preference (Q13)} = k + nQ1 + nQ2 + nQ3 + nQ4 + nQ5 + nQ7 + nQ8 + nQ9 + nQ10 + nQ11 + nQ12$$

Where n is the coefficient and Q1 through 12 are the independent variables respective to the number of questions. In addition, K is a constant. After inputting the coefficients, the regression model translates to the equation below;

$$Q13 = 0.731 + 0.183Q1 - 0.65Q2 + 0.93Q3 + 0.39Q4 + 0.103Q5 + 0.044Q6 - 0.104Q7 + 0.111Q8 - 0.146Q9 + 0.188Q10 + 0.062Q11 - 0.077Q12.$$

The R square value (20.6%) indicates more than 20.6% of the changes in brand preference due to price can be influenced by the responses on the other 12 questions in the questionnaire (shown in Table 4.4). The ANOVA output shows there is a statistically significant relationship between brand loyalty and the 12 independent study factors (shown in Table 4.4). The study found that the responses to the study questions influenced 26.1% of the changes in brand loyalty due to pricing.

Table 4.4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.454 ^a	.206	.154	.740

a. Predictors: (Constant), You believe the premium pricing strategy used by your preferred brand is effective in maintaining clients., You substitute your preferred brand often. , You will purchase from your brand if price changed by 100%., You are affected by a brand when purchasing a product., You will purchase from your preferred brand if the price changed., You are attempted to shift brands. , You often purchase from your preferred brand., You will purchase from your brand if price changed by 1%, You believe the economic pricing strategy used by your preferred brand is effective in maintaining clients., You will purchase from your brand if price changed by 10%., You believe the price skimming strategy used by your preferred brand is effective in maintaining clients., You will purchase from your brand if price changed by 50%.

Table 4.5 Analysis of Variance

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.136	12	2.178	3.975	.000 ^b
	Residual	100.819	184	.548		
	Total	126.954	196			

a. Dependent Variable: Pricing strategies affect your brand loyalty

b. Predictors: (Constant), You believe the premium pricing strategy used by your preferred brand is effective in maintaining clients., You substitute your preferred brand often. , You will purchase from your brand if price changed by 100%., You are affected by a brand when purchasing a product., You will purchase from your preferred brand if the price changed., You are attempted to shift brands. , You often purchase from your preferred brand., You will purchase from your brand if price changed by 1%, You believe the economic pricing strategy used by your preferred brand is effective in maintaining clients., You will purchase from your brand if price changed by 10%., You believe the price skimming strategy used by your preferred brand is effective in maintaining clients., You will purchase from your brand if price changed by 50%.

Table 4.6 Coefficient

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.731	.342		2.140	.034
	You are affected by a brand when purchasing a product.	.183	.078	.182	2.353	.020
	You often purchase from your preferred brand.	-.065	.088	-.059	-.739	.461
	You are attempted to shift brands.	.093	.060	.112	1.558	.121
	You substitute your preferred brand often.	.039	.055	.053	.722	.471
	You will purchase from your preferred brand if the price changed.	.103	.073	.115	1.398	.164
	You will purchase from your brand if price changed by 1%	.044	.072	.052	.610	.543
	You will purchase from your brand if price changed by 10%.	-.104	.070	-.142	-1.492	.137
	You will purchase from your brand if price changed by 50%.	.111	.097	.173	1.144	.254
	You will purchase from your brand if price changed by 100%.	-.146	.080	-.249	-1.817	.071

You believe the economic pricing strategy used by your preferred brand is effective in maintaining clients.	.188	.087	.199	2.148	.033
You believe the price skimming strategy used by your preferred brand is effective in maintaining clients.	.062	.095	.068	.650	.517
You believe the premium pricing strategy used by your preferred brand is effective in maintaining clients.	.077	.083	.084	.932	.353

a. Dependent Variable: Pricing strategies affect your brand loyalty

4.5 Hypothesis Testing

The Pearson coefficient in this case for the branding and loyalty regardless of whether Nike increased the prices was about 0.169. That would suggest little correlation, hence, to some point it is also possible to argue that there are other factors besides branding, which affect Nike's competitive advantage. However, since the P is not equal to zero, it is evident that the null hypothesis in this case would not hold since branding does indeed affect the competitive advantage, even though other factors are still involved.

In regard to the first hypothesis whose null hypothesis argued that "product differentiation strategy does not affect Nike's branding; neither does it promote competitive advantage" the Pearson coefficient arrived at during the correlation analysis was 0.151. That suggests that there is some moderate correlation between the two variables (differentiation and branding/competitive advantage). In this case, the null hypothesis is wrong while the alternative hypothesis was correct in regards to the impact of cost leadership in the differentiation strategy, the responses from the survey did not provide conclusive results. Based on the Pearson correlation analysis, the null hypothesis for the fourth hypothesis will be rejected, while the alternative hypothesis will be accepted.

5. CONCLUSION

Nike's global brand has created and maintained its competitive advantage because such a brand allows the company to stand out. The first advantage of having an immense brand is that it will come to customers' brains first when they think about certain product lines. For instance, customers will think about Nike first when they seek quality footwear products. That is why having a solid brand is a valuable competitive advantage, explaining why Nike has successfully retained its brand in the sports attire industry and footwear market since it was founded in 1964. Moreover, the company has also constantly evolved its brand by including the latest marketing trends and events, such as building an immense e-commerce capacity that allows it to establish a solid presence in the digital market. That is why global companies would race to maintain solid brands for themselves to capitalize on such brands in the market. Logically, brands will refer to anything that helps target customers to easily identify them whenever they need their goods and service because these brands distinguish companies from the rest of competitors in the market. That is why Nike's attempt to build a solid brand is a logical move as it enables itself to become a household name in the sports apparel industry, meaning that it seeks to become the first option that customers would think about whenever they seek quality sports apparel products.

Moreover, Nike has every element that creates a solid brand, including the concept, benefit, promise, proprietary sign, logo, product, and service. That said, the company's global branding initiatives help Nike build an immense global presence. In addition, Nike has also managed to keep expanding its product lines to accommodate the latest market trends and preferences. Consequently, the brand has retained its top position and a large share of the market for decades. Ensuring that it stays relevant to the latest trends within its target market segment ensures its long-term sustainability in the competition, which is the key capacity for every business. Thus, it is safe to say that Nike's branding initiatives facilitate the company's attempt to retain its competitive advantage in the long term.

Furthermore, the cost leadership strategy Nike adopts is the company's attempt to retain its global production and operations since it helps the company to ensure it can keep a positive margin to ensure its long-term operations. In this regard, Nike can use the margin to build its branding. In this regard, the more margin the company makes, the more likely Nike will create solid branding strategies and campaigns. Consequently, it can build long-term competitive advantage. Moreover, a positive margin helps the company to gather the resources it requires for its marketing and promotion ventures. Consequently, the company can constantly evolve its research and development capacity, which leads to more diverse product lines and, thus, more market segments. As a result, Nike can effectively build its branding strategy more extensively.

The findings in this research suggest several things regarding Nike Inc.'s branding strategy and factors that tend to influence or affect it. The first is that the international brand reputation, which Nike Inc. has developed over the years, plays a crucial role in its competitive advantage. Nike faces great competition from renowned sports apparel companies such as Adidas and Under Armor. Over the years, these competitors have developed strategies aimed at outshining Nike Inc. Still, due to its strong global presence and the brand reputation that the company has developed, Nike seems to continue performing exemplary well. That is as observed in the financial statements of the company over the last few years, which suggest that even with economic challenges threatening to affect most businesses' operations adversely, Nike Inc. remains profitable. The growing revenue shows that the brand attracts new clients yearly. Hence, there is evidence that its branding strategy enhances its competitive advantage in the market. The regression analysis in this research suggests that the participants indicated that they would still choose Nike's products even if the company adjusted the prices upwards. That shows loyalty on the part of the clients, which can be attributed to the fact that Nike has developed a brand that is difficult to challenge.

The findings in this research indicate that Nike Inc.'s management realized a need to have an effective cost control model in place. That would help ensure that the company can produce its products at costs in the future, hence transferring the same advantage to the target clients. The cost leadership model that the firm uses entails producing most of the products outside the US, which helps ensure that the firm incurs less on the production costs because it can hire at relatively low wages. Besides, the production plants are near raw materials, especially in Asia. That has played a crucial role in ensuring that the company has better bargaining power over the suppliers. Besides, it also helps ensure that the management can easily follow up on the production of the raw materials, which ensures that, in the end, the firm can align the visions, missions, and values of the suppliers to the companies. The main advantage of this is that it has developed a system where Nike only deals with the most reputable suppliers in the region, ensuring that it can continuously produce superior products compared to its competitors. Besides using cost leadership, the company ensures that it can retail its products at better prices.

Another key finding was regarding the differentiation strategy that Nike Inc. uses and its impact on branding and competitive advantage. Nike's product focus differentiation strategy has ensured that the company produces sports apparel and footwear that caters to the general population, celebrities, and sports professionals. Using such a differentiation strategy, Nike Inc. has managed to significantly expand its target market significantly, ensuring increased sales over the years. Besides, the company also differentiates its products from the others in the market by using quality standards and trendy fashions. It is also worth noting that Nike has managed to create a unique approach to the market by focusing on empowering people through its slogan, "Just do it." That helps people easily relate to the company and feel empowered, which is something they can associate with the brand, hence increasing customer loyalty. Focusing solely on the product might help differentiate the company from other firms in the same market. However, a people-centric approach, as determined in the case of Nike, tends to have a greater and long-lasting impact on client impressions. Hence, it ensures the success of the brand because, after all, branding is mainly about building on the clients' value perception. Hence, from the findings, one can conclude that branding has a major impact on competitive advantage. That is because a well-renowned brand such as Nike tends to make sales easily compared to less-known brands. Hence, it would be advisable for companies to focus on developing a strong brand reputation in their respective markets. That is specially to win more clients and outshine the competition. Like Nike, companies can expand within their local market before moving to international markets. Further, the findings suggest that it is crucial to consider the cost leadership model that a firm uses in branding. That is because the cost leadership, in many cases, will determine what activities and processes the management will prioritize during the cost allocation process. A system that helps lower the production cost is a major advantage in allowing the business to sell its products at relatively fair prices compared to the competitors

5.1 Practical Implication

This study sought to determine the impact of branding value on a company's success in the market using the case of Nike Inc. It is important to note that technological advancements have opened up world borders so that companies today face greater competition from foreign-based companies. Besides, over the years, most industries have grown to a point where businesses can no longer be sustainable by focusing solely on their local markets. That would explain the horizontal market expansion strategy that many businesses worldwide are using to serve larger geographical areas. Nike Inc. is one such company that, at some point, realized the need to expand to international markets to increase its sales, build its brand and ensure its sustainability. The efforts have paid off, considering that it is among the leading sports apparel and footwear industry brands. Given its level of success, it was important to base the research on it to determine some of the strategies that tend to impact international branding. One of the implications of carrying out this research is that it will serve as a useful source of information for small and medium enterprises that intend to grow to a point where they will serve international markets in the future.

The findings and recommendations drawn from this research will give management teams in smaller enterprises great insights into how they can develop their brands. That is to outshine the current and upcoming competition in their respective areas. That is because they will know what Nike Inc. has done right, which has helped it build a strong brand reputation in the global markets. Besides, by analyzing strategies such as differentiation and cost leadership at Nike Inc. and how they affect the company's brand name and reputation, the information generated in this report will give an idea of where to start when developing a positive brand. Besides, the research provides evidence to support the need for branding to ensure sustainability and enhance competitive advantage. It would be extremely difficult for a business to become sustainable and remain relevant without a competitive advantage. In the context of this research, the aspect of competitive advantage refers to that particular business element that makes the brand stand out. It is the selling point of the business, which in other words, would refer to the reason that clients have for buying from a particular brand and not others in the same market. Hence, to some extent, the findings in this research will provide users with insights into customer behavior and preferences. That is crucial in ensuring that small and medium enterprises can understand their target clients much better, increasing their chances of success in the market.

The study clarifies that Nike builds its branding capacity to maintain its competitive advantage, explaining why the company stays relevant even decades after its founding. The company's will to keep evolving its operations and product lines help Nike to constantly change its branding approach to accommodate the latest market trends and preferences. That is why the brand has survived the strict competition across customer generations in the sports apparel market. This study's findings may inspire other companies to focus more on their branding approaches and strategies to emulate what Nike has achieved for years. This study confirms that branding is an essential strategy that may help companies build themselves as household names that customers will think about first.

Another significant finding of this study is that it clarifies Nike's cost leadership strategy implementation. This cost leadership strategy has enabled the company to preserve the budget it requires for establishing its global branding and operations. In addition, Nike's cost leadership strategy also involves the pricing element, which regulates how the company sets the price for its products. In this regard, this study found that the company sets fair prices for its products while maintaining a positive margin, implying that Nike is well aware of the importance of setting the right price to maintain its operations and attract target customers simultaneously. In addition, the company also adopts the differentiation-generic strategy to boost its performance in the global market. By combining the cost leadership strategy and the differentiation-generic strategy, Nike can consistently build quality products and match them to the expected value of target customers.

5.2 Recommendation

Regarding international branding and its impact on competitive advantage, it is possible to make a few recommendations to help small businesses attain success like Nike Inc. The first recommendation is regarding the cost leadership approaches. As determined in this research study, one of the main reasons why Nike Inc. has succeeded in building a strong international brand name is because of its cost leadership. From the onset, the management at Nike Inc. understood that it would be difficult to control the supply chain players. That would probably increase the risk of unethical practices in producing the raw materials, which, if not well addressed, could hurt Nike's reputation as a people-centered company. As a result, they moved the production facilities closer to the sources of the raw materials used in making sports apparel. That, together with the fact that Nike is among the largest brands in the world, has helped ensure that the firm sets clear quality standards, which all suppliers who intend to work with it must meet. Hence, smaller firms that intend to develop a good brand reputation must adopt a cost leadership model to ensure they have better bargaining power than the suppliers. So, it becomes easy for such firms to control the quality they provide in the market. Based on the findings Companies should pursue the establishment of immense branding capacity to ensure their long-term survival and competitive advantage in the strict competition. Nike has become an ideal example of this since its solid global branding strategy has allowed it to survive in the tough competition within the sports apparel industry for decades. Moreover, a solid branding capacity would also allow companies to become household names that customers think about first. A combination of the cost leadership strategy and the differentiation-generic strategy is ideal for ensuring that companies can establish a long-term presence in the market while maintaining effective margins and resources for their branding initiatives. In this regard, companies should set their price carefully and appropriately to help them build an adequate presence in the market and retain their loyal customers.

Concerning future research opportunities, it would be important to include diversification in the differentiation and branding strategy. Some apparel companies, such as Under Armor, have diversified to other health-related products, such as smartwatches and health guides. Diversification allows companies to stand out in the crowd and be noticed. Besides, suppose the company diversifies its product portfolio to include complementary products. In that case, it increases its chances of serving a larger market, which in the long run could positively impact its brand reputation and success in the market. Hence, this is an area that future research studies on how branding affects competitive advantage can focus on to determine whether diversification has any major effects on the branding and competitive advantage of the comp

To sum it up, the study found that Nike's branding strategy and cost leadership approach have facilitated the company's competitive advantage retention for decades. Thus, it views branding strategy as essential for a business's success because it allows the company to capitalize on customer's market identification by serving as the first option to come to the mind of customers. In addition, the cost leadership strategy allows Nike to set the best price that gives the best margin, allowing it to gather the resources required for running its global operations and maintain them long-term.

No research study is perfect. Hence, some limitations are anticipated, which could affect the reliability and accuracy of the results. The first limitation of this study was in the data collection. For instance, the questionnaire mainly focused on the consumers of Nike's products. However, there is no possible way of accurately determining that all the participants use Nike's products since the sampling method was not purposive. Even if it were, there would be no possible way of telling that the participants have been using Nike's products unless they are sports personnel or popular individuals whose lives are in the public domain. Hence, it would be expected that the data collected does not contain information that is 100% from Nike's loyal clients. Hence, a slight margin of error would be expected in the research studies, which was why secondary sources were used to support the data analyzed.

Another limitation of this study is regarding the scope of the study. Many factors and strategies affect international branding success and competitive advantage. However, due to time restrictions and budget constraints, it was impossible to address all these factors; hence, the research focused on a few deemed the most effective. Hence, it can be assumed that other crucial factors and strategies, such as diversification, were omitted in the process. Besides, the research took a one-sided argument by focusing on the opinion of the target clients of Nike without gathering information from the key decision makers at Nike Inc. It would have been better to widen the scope to include insights from strategy managers at Nike Inc. to understand their arguments on some of the strategies identified as helping Nike build a strong brand reputation. Doing so would have enhanced the accuracy of the results obtained in the study because insights from the management team would have been included in the analysis. These are limitations that future research studies on the subject should focus on to improve the research findings.

REFERENCES

- 1) Gupta, S., Gallear, D., Rudd, J., & Foroudi, P. (2020). The impact of brand value on brand competitiveness. *Journal of Business Research*, 112, 210-222. <https://www.sciencedirect.com/science/article/abs/pii/S0148296320301399>
- 2) Freling, T. H., Crosno, J. L., & Henard, D. H. (2011). Brand personality appeal: conceptualization and empirical validation. *Journal of the Academy of Marketing Science*, 39, 392-406. <https://link.springer.com/article/10.1007/s11747-010-0208-3>
- 3) Zuzana, W. (2017). Comparison of requirements for brand managers responsible for competitiveness of brands: a cross-national study in the us and the czech republic. *Journal of Competitiveness*, 9(4), 148. <https://www.cjournal.cz/files/271.pdf>
- 4) Abimbola, T. (2010). Brand strategy as a paradigm for marketing competitiveness. <https://link.springer.com/article/10.1057/bm.2010.48>
- 5) Dyer, B. (2020). A pragmatic approach to resolving technological unfairness: the case of Nike's Vaporfly and Alphafly running footwear. *Sports Medicine-Open*, 6(1), 1-10. <https://sportsmedicine-open.springeropen.com/articles/10.1186/s40798-020-00250-1>
- 6) Merikanto, S. (2019). Controversal Marketing-A successful strategy to grow a brand or risky approach? Case study: Nike Inc. <https://www.theseus.fi/bitstream/handle/10024/265128/Controversal%20Marketing.pdf>
- 7) Yan, C., Brown, C., & Greenleaf, A. (2022). Just Do It: Analysis of Nike's Marketing Strategies and Growth Recommendations. *Journal of Student Research*, 11(4). <https://www.jsr.org/hs/index.php/path/article/view/3520>
- 8) Alkasim, S. B., Hilman, H., Bohari, A. M. B., Abdullah, S. S., & Sallehddin, M. R. (2018). The mediating effect of cost leadership on the relationship between market penetration, market development, and firm performance. *Journal of Business and Retail Management Research*, 12(3).
- 9) Lucchini, A., & Moisello, A. M. (2019). Stakeholders' pressure and CSR engagement. A case in the apparel sector. *American Journal of Industrial and Business Management*, 09(01), 169-190. <https://doi.org/10.4236/ajibm.2019.91012>

- 10) Bayraktar, C. A., Hancerliogullari, G., Cetinguc, B., & Calisir, F. (2017). Competitive strategies, innovation, and firm performance: an empirical study in a developing economy environment. *Technology Analysis & Strategic Management*, 29(1), 38-52.
- 11) Gregory, L. (2022, October 22). Nike's Generic Strategies & Intensive Growth Strategies. Panmore Institute. <https://panmore.com/nike-inc-generic-strategy-intensive-growth-strategies>
- 12) Su, Z., Guo, H., & Sun, W. (2017). Exploration and firm performance: The moderating impact of competitive strategy. *British Journal of Management*, 28(3), 357–371. <https://doi.org/10.1111/1467-8551.12218>

