

BRAND POSITIONING OF A SLOVAK COMPANY

*Bohuslava Mihalčová**

*Michal Pružinský***

*Zuzana Jakubčová****

Received: 7. 5. 2013

Accepted: 2. 11. 2014

Professional paper

UDC 658.626(437.6)

In this paper, authors examined the aspects of the current positioning of the company Makyta, compared with seven selected companies. Positioning represents how the brand awareness is located in the mind of customers and competitors. Selected companies are analyzed as company's competitors within the analyzed product portfolio. The brand positioning is discussed within the regional market of Žilina County.

1. INTRODUCTION

We may characterize the 21st century in the field of marketing and management by high-impact companies, developing extensively their products, services, or information. Supply exceeds demand, and, therefore, it can be said that only companies that gain a competitive advantage over their competitors can succeed.

* Prof. Ing. Bohuslava Mihalčová, PhD., PhD., University of Economics in Bratislava, Faculty of Business Economics in Košice, Business Entrepreneurship Department, Tajovského 13, 041 30 Košice, tel.: +421 55 722 31 11, +421 55 622 38 14, Fax: +421 55 623 06 20, E-mail: bohuslava.mihalcova@euke.sk

** Prof. Ing. Michal Pružinský, CSc., University of Economics in Bratislava, Faculty of Business Economics in Košice, Business Entrepreneurship Department, Tajovského 13, 041 30 Košice, tel.: +421 55 722 31 11, +421 55 622 38 14, fax: +421 55 623 06 20, 041 30 Košice, E-mail: michal.pruzinsky@euke.sk

*** Ing. Zuzana Jakubčová, University of Economics in Bratislava, Faculty of Business Economics in Košice, Management Department, Tajovského 13, 041 30 Košice, tel.: +421 55 722 31 11, +421 55 622 38 14, Fax: +421 55 623 06 20, 041 30 Košice, E-mail: zuzana.jakubcova@euke.sk

In practice, there is no guarantee that a company that comes up with a unique idea, or a product of exceptional quality, will be successful. To determine its current position on the market, it is essential that a company/business knows who their business competitors are, to actually look at the market opportunities, so as to be able to evaluate critical areas of one's competitors. According to Getman (2013), companies, which been successful at creating a differentiated brand, have an opportunity to produce new value and launch new products.

The ambition of the authors is to analyze the location (positioning) of the selected companies, namely an enterprise with a long tradition in Slovakia. This is the company MAKYTA, which is an indicator symbol of the current situation on the clothing market in the Žilina Region. A survey was conducted in order to collect data for comparing the company's performance according to selected criteria with the results of seven other companies.

2. METHODOLOGY, DATA ANALYSIS AND RESULTS

Company MAKYTA is one of the best-known clothing companies in Slovakia with a long tradition. Its founder, Ernest Rolný, ensured its expansion in an unfavourable situation.

2.1. About the company

The company (MAKYTA) dates back to 1939, when it first started its activities under the name "Prvá slovenská továreň odevov, účastinná spoločnosť Bratislava" (First Slovak garment factory, holding company Bratislava). It gradually expanded from one to nine, then to 120 stores. In 1944, the company opened a large garment factory in Púchov, where the company two separate companies were created – a manufacturing and a trading holding company. By following the footsteps of Tomáš Baťa, Mr. Rolný founded a school, in which young professional tailors were educated. Currently, the company manufactures clothing for renowned brands, such as Armani, Prada, Versace, Valentino, Byblos, René Lezard, Max Mara, Georges Rech and Lacoste, and the total output reaches 90%. The company's own production, sold in 9 stores in Slovakia.

2.2. Survey sample and methodology

The regional division of the Slovak Republic was used when selecting the area for the survey. The survey was conducted in the north-western part of

Slovakia, in the Žilina region. Non-random quota sample size consisted of 100 women over the age of 25.

A multi-criteria evaluation method on the basis of survey sampling was used to examine the position of the company MAKITA on the market. We compared selected brands operating on the Slovak market under the pre-selected criteria (price products, production quality, product innovation, product design, product utility, durability of the product, availability of the after-sales service).

Among the most widely used general criteria affecting the behaviour of the customer include: quality, price and product innovation. Broader scope for the survey was supplemented by other criteria, namely: the usefulness of the product, product life cycle, product design, retail and point of application availability.

Weight was attributed to each criteria to determine the position of a particular enterprise on the market and following the set criteria. Having compared the data, we evaluated the final position of the MAKYTA company and compared it to the competing companies.

3. RESULTS

Using the multi-criteria evaluation method, we analyzed positioning of the company MAKYTA in Žilina. Each company was evaluated by using the following aspects related to products: price, quality, innovation, design, utility, durability, customer convenience.

The survey included 100 respondents (women) over 25 years of age. A questionnaire, serving as a foundation for the multi-criteria evaluation method, was designed using the website survio.com (data collection portal). Then, it was sent out, using social networks, including Facebook, Google +, and through e-mail to people living in the Žilina region and especially to people in Púchov (where MAKYTA's headquarters are located).

The highest level of performance was 8.00 points, and the lowest was 40.00 points. The average, obtained from 100 questionnaires, was used to identify the MAKYTA's position, as compared to competing companies in Žilina.

Given the subjective nature of the assessment, it was not possible to establish satisfactory weight factors. As respondents' perceptions were rather diverse, the average value of each criterion of the companies surveyed had to be quantified as a simple arithmetic mean, which corresponds to the sum of the points awarded to each criterion related to the number of respondents.

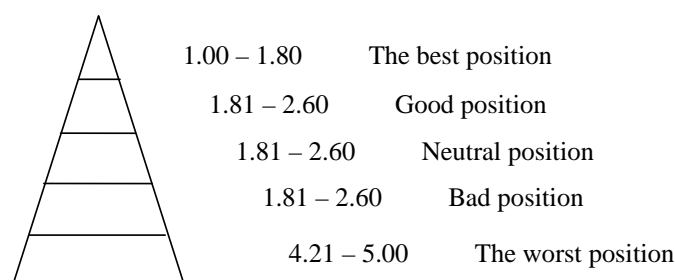
For instance, the calculation of the arithmetic mean of the criteria *price* for company MAKYTA is as follows:

$$\Delta \text{PRICE}_{\text{MAKYTA}} = \frac{\sum_{i=1}^{100} x_i}{\text{Number of respondents}} = \frac{x_1 + x_2 + x_3 + \dots + x_{100}}{\text{Number of respondents}} = \text{€}3.43,$$

where:

- x_i represents the number of points assigned to the criterion *price*,
- i^{th} is the respondent and the number of respondents represents the value 100 rounded to two decimal places.

The relative positions were calculated, as illustrated by Figure 1.



Source: Authors.

Figure 1. Range of rated criteria

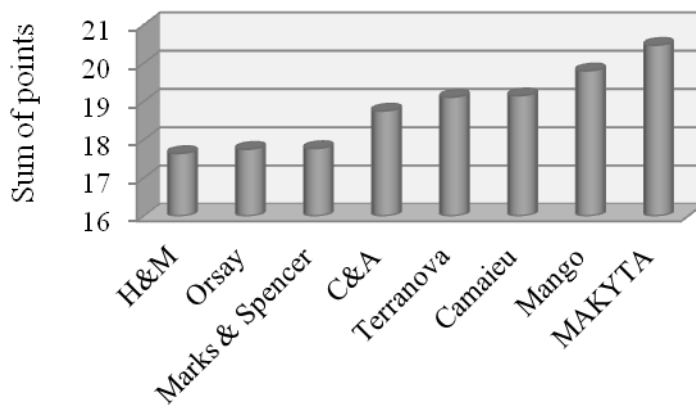
On the basis of the arithmetical average for each criterion, for all the companies considered, we built the table of values (see Table 1), which was used for comparing and determining positions of the competing companies. Adding the points of each of the criteria separately, we received the total final values for analyzed companies.

Table 1. The arithmetic average for the criteria by 100 respondents

Company \ Criterion	C&A	Terranova	Marks & Spencer	Mango	Camaieu	H&M	Orsay	MAKYTA
Price	2.76	1.92	2.12	3.28	2.98	2.32	2.64	3.43
Quality	2.67	3.45	2.82	1.85	2.45	2.05	2.19	1.78
Innovation	2.17	1.93	2.04	2.2	2.06	1.98	1.97	3.04
Design	2.22	1.82	2.19	2.17	2.1	1.94	2.19	3.2
Usefulness	2.38	2.4	2.28	2.74	2.51	2.71	2.15	2.75
Durability	2.08	3.22	2.27	1.96	2.05	2.25	2.04	1.97
Availability to the customer	2.09	1.82	1.64	3.46	2.87	2.06	2.73	2.18
Comfort	2.38	2.75	2.39	2.21	2.14	2.33	1.84	2.05
TOTAL	18.75	19.11	17.77	19.8	19.15	17.64	17.75	20.47

Source: Research results.-

By additionally processing the survey results, comparing the MAKYTA company with C & A, Terranova, Marks & Spencer, Mango, Camaieu, H & M and Orsay , the companies can be ranked - from best to worst position (see Figure 2).



Source: Research results.

Figure 2. The position of the companies (from best to worst)

According to the number of points obtained, the following can be concluded:

- The ranking of companies is established on the basis of a survey on 100 respondents. Since this was a subjective allocation of points by each of the respondents, it is necessary to consider that the companies were ranked subjectively.
- It follows that H&M is the leader on the Slovak market (when eight surveyed brands are considered). There are some areas, in which other brands dominate (e.g. design, which is an area, where Terranova is better positioned), but the overall assessment shows that the leader position is undisputed.
- The last position in the overall evaluation of the eight companies, compared by the positioning of their brands, is held by the analyzed company MAKYTA. The areas in which the company can not be compared to other brands are: price, innovation, design, and usefulness. It is evident that the price is set for the high-end customer segments (which is the reason for higher prices of clothing). The respondents consider the company as being both innovative and having poor design. The reasons may be the following: non-proliferation operations, weak modernization of existing plants, unfashionable apparel, and the like. The clothes are not convenient for casual wear and the respondents identified this area as a weak one. They also defined clothing company MAKYTA as being not so useful, in the sense that its suits cannot be worn as frequently or intensively (which also depends on the style of clothing of a particular respondent), as those, produced by clothing companies, such as Orsay or C & A.

4. DISCUSSION

In comparison to other companies, MAKYTA is at the average level (see Table 2). The only area in which MAKYTA is best positioned is quality; it is worst positioned as related to price. In three areas the company holds a neutral position (innovation, design, usefulness) and, in three areas, it is well positioned (durability, availability to the customer, comfort).

MAKYTA achieved generally unfavorable results when compared to other companies. The only strength was the quality of products. In almost all the surveyed areas, MAKYTA did not meet the needs of customers.

Table 2. Positions of the Makyta company in various areas

MAKYTA	Price	Quality	Innovation	Design	Usefulness	Durability	Availability to the customer	Comfort
	Bad position	The best position	Neutral position	Neutral position	Neutral position	Good position	Good position	Good position

Source: Research results.

The price of the products was too high, the clothes lacked innovation and good design (i.e. the design was unattractive and the clothes could not be worn on many different occasions). The following areas present the biggest problems to the company:

- high cost,
- weak innovation,
- unattractive design,
- products can be used only seldom.

Based on the survey results, it can be concluded that the studied brand due to its unfavorable parameter wanes in the minds of customers. Unless emergency action is taken to remedy the situation, MAKYTA's products will be replaced by cheaper substitutes, with worse quality. To expand its product portfolio, more affordable products should be included and advertising/PR campaigns should be improved. This can however be done primarily on the basis of CVA (Customer value analysis).

4. CONCLUSION

Analysis/positioning in the MAKYTA company has been performed as related to other companies in Slovakia, which operate in the same industry. The survey was conducted, as to compare the company with selected seven brands, i.e. potential competitors. The survey was conducted on a sample of 100 respondents.

The results of the analysis enabled us to identify critical areas and weaknesses of the company, which it could address to improve their current position in the market, as well as to improve their management. As the brand awareness is high, it can be said that the company has embarked on the path to regain the position on the Slovak market. Ultimately, it would not only be economically beneficial, i.e. increasing the GDP and employment in the Slovak Republic, but also beneficial, in terms of raising the standard of living and stimulating Slovak entrepreneurs to start investing into the Slovak economy.

REFERENCES

1. Getman Peter, L. (2013). *Launch a Brand*. [Online]. [Accessed 10.4.2014]. <http://microarts.com/launch/MicroArts-Launch-Strategic-Brand-Positioning.pdf>

POZICIONIRANJE MARKE SLOVAČKOG PODUZEĆA

Sažetak

U ovom radu, autori analiziraju aspekte postojećeg pozicioniranja poduzeća *Makytá*, u odnosu na sedam izabranih poduzeća. Pozicioniranje podrazumijeva kako je svijest o marki locirana u svijesti kupaca i konkurenata. Izabrana se poduzeća analiziraju kao konkurenti za analizirani portfelj proizvoda. Pozicioniranje marke se razmatra u kontekstu regionalnog tržišta u županiji Žilina.