

THE BEER BRANDS ON THE MACEDONIAN MARKET: HOW ARE THEY PERCEIVED?

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Abstract: The aim of this paper is to present the perceived position of the beer brands (domestic and foreign) on the Macedonian market. There are lots of beer brands offered on the Macedonian market which indicates that the competition is quite big. The competition is especially fierce among few of them because respondents have very similar perceptions about those brands. To have knowledge about the perceived position that product holds is crucial for the company because it is very important the perceived position to be identical with the desired position, otherwise (if the perceived position is worse than the planned) the company must involve itself in the activities of repositioning.

JEL classification: M00, M31

Key words: positioning, positioning map, beer, perceived position

Introduction

The positioning process encompasses the development of positioning map which gives clear picture of the position of each company (product) in the customers' eyes. Special softer has been developed in order positioning map to be constructed as a very helpful tool for the managers for defining as much better strategy as possible. But, the whole process doesn't stop after the construction of the map, it proceeds with map interpretation for which integral knowledge of the marketing-managers is demanded.

There are several positioning maps that can be used by marketing-managers: perceptual maps, preferential maps and combination of the both (that take into account the buyers' perceptions and preferences as well). The paper gives an analysis of the beer brands in the R.Macedonia by creating perceptual maps based on the product's characteristics.

For the benefit of constructing a positioning map and in order to gather data about the various brands that are offered in restaurants and bigger supermarkets in the Republic of Macedonia, research was conducted about the most important characteristics of the brands that customers take into account when they make decisions which brand to buy and about the customers' perceptions for the beer brands in Macedonia. The first research showed that in Macedonia there are lots of beer brands produced by lots of producers, i.e. there is a strong competition in the beer market in Macedonia. By constructing the positioning map, a clear picture was created regarding the position of the beer brands as they are perceived by the consumers, from which it can be seen among which brands the competition is the strongest i.e. which beer brands hold similar position in customers' eyes.

The paper first focuses on identification and selection of the type of positioning map. Then, the research methodology is discussed - selection of the respondents in the survey, identification of the beer brands that are subject of evaluation, identification of the most important attributes for the customers when they decide which beer brand to buy and questionnaire design. After performing the survey the next step is construction of the positioning i.e. perceptual map using appropriate software. After this, an analysis of the map is performed and author's suggestions are given.

Literature review

According to Fifield (1998) market position of the company (product) refers to the unique (and differentiated) position that the company (product) holds in the customers' eyes. In fact, perceived market position refers to the external environment, market i.e. customers and competitors, or in other words position as it is perceived by the customers compared to the competitors. According to Porter (1990), to pursue a good strategy means to be different from the others by undertaking activities different from the competitors or undertaking similar activities in a different way. Namely, positioning is the process of designing image and value, so that the customers from target market segment(s) will understand (recognize) the company and its products compared to the competitor i.e. competitor's products in a way as the company wants to be perceived. And, as Fiefield (1998) says, marketing is actually a battle of the products and companies for perceptions – marketing is not what the objective tests show what is best for the customers, but what customers believe is best for them.

According to Srivastava, Shervani and Fahey (1998) brands influence the competitive advantage of the companies. According to Ailawadi, Lehmann and Neslin (2001); Capron and Hulland (1999) and Sullivan (1998) brands are valuable intangible assets that can significantly contribute to company performance, but, in order to be successful, companies must differentiate their brands. Pessemier (1982), Wind (1982) and other authors claim that understanding brand differentiation is essential to formulation of strategies and other marketing activities. According to Shugan (1987) multidimensional brand differentiation and multidimensional mapping, whether perceptual or not, has had many applications in the marketing literature. Gavish, Horsky, and Srinanth (1983) claim that multidimensional maps are valuable tools for making strategic marketing decisions. Hauser and Shugan (1983) use per dollar multidimensional maps to formulate defensive strategies. However, positioning maps have been widely used in marketing since the 1960s. According to Myers (1992) these first maps were of the "perceptual" type based on consumers' ratings of competing brands and positions objects in a cognitive space, and he claims that brands can be positioned in an affective space defined in terms of attitudes that people hold towards a brand category. Myers (1992) says that the most common map constructed for marketing planning process nowadays is the perceptual map and the most frequently used technique for developing such maps is discriminant analysis. Instead of "two-dimensional" maps, most companies use multidimensional maps in which competing products can be "positioned" in relation to one another. Tightly connected to positioning map is the brand positioning statement that expresses how the brand should be seen by external stakeholders and/or by employees. (Wallstrom, Karlsson and Salehi-Sangari (2008)).

In this paper by using software, complex positioning map was developed with two main axes (horizontal and vertical) and lots of supplementary axis i.e. lines that

represent characteristics of the companies/products. Gary, L.L, Arvind, R, (2003) use the following rules regarding the interpretation of the positioning map.

- Each line represents different characteristic (there are 14 characteristics analyzed and therefore there are 14 lines on the map beside the main horizontal and vertical lines (axis).

- The longer the line, the more important the characteristic is. The length of the line shows the importance of the characteristic presented by the line when interpreting the map.

- The lines that are closer to the main horizontal and vertical axis are more important in determination of the meaning of those two axes.

- In explaining the company's position, imaginary perpendicular line needs to be drawn on the map from the point that represents the company's position up to the line that represents distinctive characteristic. The smaller the distance, the more important the characteristic is in explanation of the company/product position.

- The distance among different products on the map shows the "perceptual similarities" i.e. how close or far the products are located in the customers' minds. The distance among them is smaller as the products are similar which means that the products are strong competitors.

Research methodology

Out of the various brands of beer in the market, 11 brands are analyzed (brands that were indicated by the random selected respondents in the preliminary conducted research, as brands that first come into their mind when the word "beer" is mentioned).

The research then proceeds with the evaluation of 14 characteristics of the beer as product characteristics relevant to the respondents who live in Skopje (in one particular municipality) from 18 to 50 years old. The choice of the age range from 18 to 50 years was made because in the Republic of Macedonia the sales of alcohol is prohibited to persons below 18 years of age, and people above 50 consume less beer due to the health problems that they usually face. On the other hand, according to the statistical data, people from 18 to 50 years are the biggest consumers in the Republic of Macedonia. The citizens of Skopje are the target group of the research because Skopje is the city with highest population density in Macedonia and the particular municipality (the Municipality of Aerodrom) was selected as a municipality with highest percentage of people who belong to the age group relevant for this paper (State Statistical Office of the Republic of Macedonia).

1. The preliminary research comprises 40 examinees (age 18 to 50) selected at the random, on two frequent locations (large supermarket and very well known restaurant and bar located in the previously mentioned municipally).

2. Firstly, the 40 examinees, met on the previously mentioned locations, were asked to tell the beer brands that first come into their mind when beer word was mentioned and to tell the most important attributes they consider each beer should have. After gathering valuable information about the brands and attributes that the respondents take into account when buying the beer, 11 beer brands were determined as brands that were going to be evaluated and 14 attributes were selected as a basis (criteria) for beer brands evaluation and as a basis for questionnaire design. Thus, based on interviews performed on 40 examinees, the determination of the key product's attributes (14) was performed as a first step in conducting the complete survey for this paper.

3. Moreover, 60 other examinees (who were met at the same locations) were contacted personally (face-to-face) and asked to fill in the questionnaire previously prepared.

4. In order to avoid greater complexity in defining the sample of beer consumers in the Republic of Macedonia only demographic and geographic criteria (age and location) were used.

From the explanation given above regarding the research methodology, it can be concluded that in the survey, 11 beer brands that can be found in the stores, bars and restaurants in the Republic of Macedonia were evaluated and the construction of the map and analysis was done on the bases of the evaluation of 14 characteristics relevant to identification of the brand position in the customers' eyes. The map in this paper showing the position of the beer brands in R.Macedonia is prepared by having in mind the analysis of the following 14 attributes (characteristics): bad label (regarding the design of the label), bad package, bitter taste, high percentage of alcohol, highly carbonated, foam at pouring, high price, high quality, nice color, popular among women, popular among men, bought for special occasions, too light, popular among working class.

On a scale from 1 to 9 the examinees gave their evaluation about how they perceive the stated characteristics for each beer brand separately, having in mind that the grade 1 means that the examinees agree with the postulate (at the least) and grade 9 that they agree the most i.e. they agree completely with the postulate. Afterwards, the answers were processed for each respondent separately and for all of them together (Table no. 1) and after that the perceptual map was constructed.

Table no. 1 Responses to the questionnaire regarding the beer brands' position in the Republic of Macedonia by 60 respondents

	"Amstel"	"Beck's"	"Bitolsko"	"Efes Pilsner"	"Heineken"	"Kenbach"	"Krali Marko"	"Laško"	"Skopsko"	"Zlaten Dab"	"Kamenitza"
bad label	7	8	4	6	8	4	4	6	6	5	4
bad package	2	2	6	4	2	6	7	4	4	4	5
bitter taste	4	4	4	4	4	4	4	4	6	4	4
high % of alcohol	5	5	4	5	5	4	4	5	7	5	4
high carbonated	4	5	4	5	5	4	4	4	6	5	5
high foam at pouring	4	4	5	4	4	5	4	4	6	4	6
high price	6	7	3	6	8	3	2	6	4	3	6
high quality	8	8	4	7	9	5	4	6	7	5	4
nice color	7	7	5	6	8	5	5	6	7	6	6
popular among women	5	5	2	4	5	4	2	3	4	3	6
popular among men	7	7	6	6	7	6	6	6	8	8	6
special occasions	5	7	2	5	7	3	2	4	2	2	3
too light	5	5	5	5	5	6	5	5	4	4	4
working class	2	2	8	5	2	7	8	4	5	6	4

Source: Data from the survey

Analysis of the map showing the position of beer brands in the Republic of Macedonia

The 11 brands analyzed in this paper can be classified as domestic brands (brands that are brewed and bottled by domestic brewing companies (there are three breweries in Macedonia located in the following cities: Skopje, Prilep, and Bitola) and foreign brands imported from abroad. (see Table no.2):

Table no. 2 Classification of the beer brands

beer brands	domestic brands	foreign brands
“Amstel”		√
“Beck’s”		√
“Bitolsko”	√	
“Efes Pilsner”		√
“Heineken”		√
“Kenbach”	√	
“Krali Marko”	√	
“Laško”		√
“Skopsko”	√	
“Zlaten Dab”	√	
“Kamenitza”		√

On the basis of processed data showed in Table No.1, the positioning map was designed (see Figure no.1).

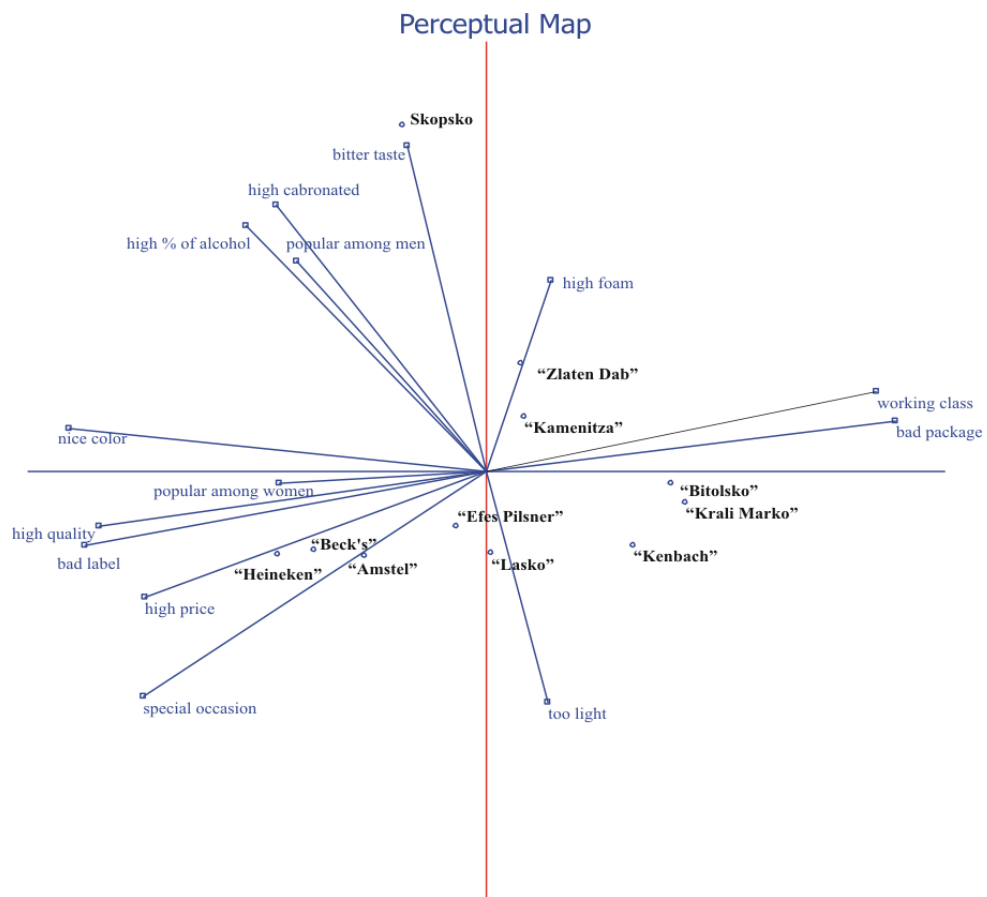


Figure no. 1 Positioning map of beer brands on the market in the Republic of Macedonia

Source: Data from the survey

Figure no.1 clearly shows that different beer brands hold different position in the customers' eyes, with remark that some of them hold very similar position that makes them strong competitors and some of them hold relatively isolated position without brand with similarly perceived position nearby like the brand "Skopsko". When constructing the map, 14 characteristics have been analyzed and presented by the lines in the map. Through analyzing the characteristics/lines the meaning of the vertical and horizontal axes was determined. Namely, horizontal axis represents premium/economy beer, i.e. the right side of the axis represents beer with high quality and high price or premium brand, whereas the left side of the axis represents beer perceived as a product with lower price aimed at people with lower income (economy product). The vertical axis represents light/bitter beer, with the upper end of the axis representing darker beer with bitter taste, whereas the lower end of the axis represents light beer.

It seems that "Skopsko" has the best position having in mind that there is no other brand nearby, and "Skopsko" is perceived as a beer that tastes bitter, as a highly carbonated beer with high percentage of alcohol and as a beer that is especially popular among male population. It is a beer that is perceived as a premium product rather than as an economic product.

The brand "Zlaten Dab" is perceived as highly foaming beer with bitter taste mainly aimed to attract poor people. In the positioning map it is located close to "Kamenitza" beer, meaning that both beers are close competitors because of the similar perceptions that customers have for the two.

"Bitolsko", "Krali Marko", and "Kenbach" are brands that are facing very big competition among themselves. They are all perceived as beers with light color aimed at the working class, with bad package design. It is symptomatic that "Bitolsko" and "Kenbach" are bottled by brewing company from Bitola (Bitola is the second largest city in Macedonia), meaning that two different brands of beer within one company are striving for the same position in the customers' minds, which is not a good solution for the Bitola brewery's market success. The brewery should take activities of repositioning of one of its brands in order to achieve different and at the same time better brand perception in the customers' eyes which will eventually result in company's better financial results. Bad market positioning of the products is one of the reasons why this brewing company is currently passing through difficult times, experiencing severe financial problems that make the company unable to keep pace with all the developments and changes on the market regarding business and marketing practice.

From the figure presented above it can be noticed that there is another group of brand beers with similar perceived positions. Namely, the brands "Efes Pilsner", "Laško", "Amstel", "Heineken", and "Beck's" are all beers positioned as premium beers with light color and bought and consumed on special occasions. Because of the obviously big number of beers that comprises this group, it seems that the competition among them is the biggest. This is the most obvious for "Efes Pilsner" and "Laško" brands (as a separate subgroup) and "Amstel", "Heineken" and "Beck's" brands (as a second subgroup within the main group). The perception of the customers that "Beck's" and "Heineken" are beers that are more expensive than others, correspond to the real situation since they are beers that are offered at higher prices on the market.

The analysis shows that "Skopsko" has the best position on the whole market as a premium product with bitter taste. Holding position as a premium beer with light color is good in general (because of the possibility premium products to be sold at

higher prices and consequently to be more profitable), but however, an additional effort is required mainly in the field of marketing in order for a company to survive and maintain its current favorable position on the market.

Conclusion

There are lots of beer brands produced by domestic and foreign breweries on the Macedonian market. Brands like “Skopsko”, “Zlaten dab”, “Bitolsko”, “Krali Marko”, “Kenbach” are domestic brands, while others are imported brands that are bottled abroad such as “Amstel” (Athens’s brewing company, Greece), Kamenitza (Bulgarian beer), Beck’s (German beer bottled in Kamenitza brewing Co., Bulgaria), and “Laško” (produced and bottled by Slovenian brewing company). Besides the 11 brands of beer analyzed in this paper, there are other less known brands that can be found in restaurants, bars, supermarkets, that compete with other beer brands for a better position on the Macedonian market. “Skopsko” beer holds the best position of all analyzed beers and is perceived as a domestic brand, well recognized by all Macedonian citizens as a beer that tastes bitter, has high percentage of alcohol, highly carbonated and especially popular among the male population. The “Skopsko” brand’s position is very favorable because it has no close and serious competitor (there is no other brand located near “Skopsko” on the map). Regarding the other brands it can be noticed that the competition is quite big among brands that want to be perceived as premium beers that have light color and are intended to be consumed on special occasions.

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