“A Rider is King for a While”
Building Brand Equity: The Icelandic Horse

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Supervisor: Auður Hermannsdóttir
May 2020
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Final thesis for MSc degree in Marketing and International Business
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School of Business
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This thesis is a 30 ECTS credits final project toward a MSc degree in Marketing and International Business at the School of Business, Department of Social Sciences, University of Iceland.

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Prologue

The following thesis is a 30 ECTS credit final project towards a Master of Science degree in Marketing and International Business from the University of Iceland. The basis for this research stemmed from the author’s own passion for the Icelandic horse and the desire to increase exposure to the breed, which will ultimately enable more people to enjoy this exceptional and inimitable breed of horses. It is my hope that the project will be useful in the ongoing marketing of this unique animal.

There are a lot of individuals I would like to thank for their assistance on this occasion. My deepest gratitude goes to my advisor, Auður Hermannsdóttir, Adjunct Professor at the University of Iceland. Her infectious interest, steady guidance and spiritual support has been invaluable in this process. I’d also like to thank Dr. Lindsey Greco, Assistant Professor at the Management Department of Spears School of Business at Oklahoma State University, for her encouragement, friendship and helpful advice regarding various aspects of the project. My sincere appreciation goes to my greatest supporters; my parents and sister, whose support and belief through the years is immeasurable. Furthermore, all my friends and family receive thanks for their patience with my seemingly endless thesis excuses. Last but not least, I’m filled with appreciation for the great horses I have worked with along the way, who have shaped me the way I am today, without them my life would not be as meaningful.

Hrafnhildur Helga Guðmundsdóttir
The Icelandic horse is one of Iceland's national treasures. The breed is enjoying growing international popularity because of its unique gaits, gentle temperament and indomitable spirit. Strategic branding of the Icelandic horse started with the emergence of the Horses of Iceland brand in 2015, which was intended to generate more profit in the industry and unite disparate marketing efforts. The main objectives of this study were to gain insight on the Icelandic horse’s customer-based brand equity among international equestrians and determine whether the breed’s image is in line with Horses of Iceland’s positioning. Following a qualitative analysis of HOI’s positioning, an online questionnaire was designed to measure the brand awareness, image and attitude towards the Icelandic horse among international horse owners. Furthermore, loyalty towards the breed was measured among those participants that own an Icelandic horse. The questionnaire was mostly based on the general ideas of Keller (1993) and Aaker (1996) on customer-based brand equity. A convenience sample from a population of international horse owners was collected and the total number of valid responses was 2342, with participants from over 50 countries.

The researcher’s analysis on Horses of Iceland’s positioning brought about a suggested framework to implement in future marketing, with the aim to make the positioning more straightforward. The image seems to be in line with the intended positioning while the breed’s intangible attributes are less recognized by the general international equestrian. Furthermore, the attributes that turned out to be of paramount for probable buyers were not the image attributes that international equestrians associated the most with the Icelandic horse; appreciation of the aesthetics of the Icelandic horse’s gaits appears to be lacking and the size of the Icelandic horse is not strongly perceived as suitable for most riders. Nevertheless, the results imply the Icelandic horse’s customer-based brand equity to be favorable, supported by strong awareness and positive image results. Based on the high levels of loyalty and brand love, Icelandic horse enthusiasts truly reflect the consumer-brand relationship paradigm, characterized by emotional attachment and passion for the breed.
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1 Introduction

“The best thing for the inside of a man is the outside of a horse”.

Lord Palmerston

Horses have captured the imagination of mankind since ancient civilization, as empires have been won or lost on horseback. The cultural significance of horses is therefore indisputable. A common Icelandic phrase affirms that a “rider is king for a while”, which expresses quite well the feeling one gets on a back of a horse, since riding is literally an elevated state for the human. Historically, the relationship between a man and his mount was of great paramount, as both had to trust each other to survive in the harsh world. The modern human-equine bond is no less strong; horsemanship is a passion, where people yearn to experience an equestrian partnership where they feel at one with their animal (Scanlan, 1998).

As the horse’s purpose has changed from means of livelihood and transport to a companion and sporting partner, entire industries have risen up around equestrian leisure and sporting activities. These industries are supported by substantial investment from both governmental and private funding to encourage progression in the sport (Wolfram, 2014). This expansive equestrian industry is not surprising given the consumer-brand relationship paradigm which states that love and passion form the core of a strong brand relationship (Carrol & Ahuvia, 2006). Equestrians clearly epitomize the core tenets of this paradigm as their love - their horses - connects them with brands relevant to their specific breed, discipline or passion.

The Icelandic horse enjoys great popularity throughout the world, both as a competition and leisure horse. The breed’s most notable attributes are its curious and bold nature, gentle temperament, lively spirit, moderate size and the ability to perform five gaits (Björnsson & Sveinsson, 2006). The Icelandic horse’s international esteem is steadily growing, as both the numbers of registered Icelandic horses and associated members are annually expanding (FEIF, 2019a). The national income from horse-related activities, such as exports, sales, horse training, education, competitions and equestrian tourism runs in of billions Icelandic krona’s every year (Möller et al., 2009). It is therefore quite clear that the equestrian sector is extremely valuable for the Icelandic economy.

Johansson and Carlson (2015) argue that since a brand is actually a name and the attributes associated with it, anything that has a name can potentially be branded. Thus, even a person, city or a country can be a brand and follow the principles of branding. Although pretty much anything can be identified and built up as a brand, Kotler and Keller (2006) argue that a brand is ultimately what resides in the minds of consumers. Ergo, “a brand is a perceptual entity that is rooted in reality
but reflects the perceptions and perhaps even the idiosyncrasies of consumers” (Kotler & Keller, 2006, p.275). Paradoxically, brands can exist without conscious management as is sometimes the case with entities like countries (Gallarza, Saura & Garcia, 2002; Kotler & Gertner, 2002). Even though many countries do not deliberately manage their name as a brand, consumers still have images that influences their decisions, attitudes and perceptions towards the country in question (Kotler & Gertner, 2002).

Since practically everything can be labelled a brand, horse breeds can be recognized from a branding viewpoint. In 2015, the strategic marketing project “Horses of Iceland” was launched. The project is co-funded by the horse industry itself and the Icelandic government and managed by Promote Iceland, which is a public-private initiative established to lead the promotion and marketing of Iceland in foreign markets (Promote Iceland, 2010). A strategic place branding of Iceland commenced in 2010 which had its source in the setbacks of the financial banking crisis is 2008 and volcanic eruption in 2010. Following that initiative, the strategic branding of the Icelandic horse by marketing professionals began in 2015 (Horses of Iceland, n.d.). The brand Horses of Iceland (also referred to as HOI) should be understood in a broad context, as it puts focus not only on the horse itself but on all the diverse activities related to the Icelandic horse and the Icelandic horse community. HOI should serve as a common denominator in the effort to make the Icelandic horse industry more profitable and increase Iceland’s foreign exchange income related to the industry (Horses of Iceland, n.d.).

The objective of the study is to explore the customer-based brand equity of the brand Horses of Iceland, by analyzing the awareness, positioning and image of the Icelandic horse, along with evaluating the conformity between HOI’s positioning and the image of the Icelandic horse. As loyalty is one of the strongest measures on brand equity (Keller, 2001), loyalty among owners of the Icelandic horse is investigated.

The research questions are therefore:

- How strong is the Icelandic horse’s awareness among international equestrians?
- Is the image of the Icelandic horse in compliance with Horses of Iceland’s positioning?
- Does the Icelandic horse possess high customer-based brand equity?

The paper begins with an introduction of the Icelandic horse, its characteristics and attributes and market considerations. Subsequently, a theoretical discussion about target marketing and brand management is put in context with the Icelandic horse. Then, the study’s methodological aspects are reviewed, followed by the report of the study’s results. Finally, the results and their implications are discussed further.
2 The Indispensable Servant

It remains indisputable that Iceland would not have become settled without the horse, seeing as the country was practically impassable with adverse weather conditions, rough terrain and no roads up until the end of the 19th century. For that reason, the Icelandic horse has acquired a niche in the national spirit of Icelanders, as the “indispensable servant,” who provided for its people in every possible way through the ages. Even today the horse is undoubtedly one of Iceland’s national treasures, as its history is interwoven with the history of the Icelandic nation (Geirsdóttir, 2006). The Icelandic horse’s attractiveness equals many of Iceland’s main natural attractions and horse-based tourism has become an important aspect of the tourism industry in Iceland. He is frequently used in promotional imagery to shape visitor expectations (Helgadóttir, 2006). So, in a way the horse has become a part of Iceland’s image and vice versa.

Today, the breed population is around 280,000 horses, of which 96,000 are in Iceland (FEIF, 2019a). That is a 40% increase when compared to numbers from 2005, when there were around 200,000 Icelandic horses alive internationally, of which 75,000 were in Iceland. Along with the growth in numbers, the field of business around the Icelandic horse is quite extensive and its scope has been steadily growing for the last 20-30 years. The International Federation of Icelandic Horse Associations, FEIF in short, was started in 1969 which marked the starting point of an international collaboration with the promotion of the Icelandic horse. The following year, the first international event took place in Germany, the European Championships for Icelandic horses which was changed to the World Championships in 1991 (FEIF, 2019b). The member countries have grown from 6 to 22 from foundation with 542 active Icelandic horse clubs (FEIF, 2019a).

The one and same Icelandic horse can have many roles, as they should be versatile and suitable for different types of riders. The use of the horse is first and foremost aimed towards its qualities as a riding horse as they are generally used for leisure riding, travelling and various types of competition, though gaited competitions on an oval track are the most common (FEIF, 2020). Even though the popularity of the breed has been growing, a lack of consistent marketing efforts in the past has been an impedimental factor in the Icelandic horse’s international advancement. Although the Icelandic horse is the only breed of horse in Iceland, internationally there are 784 breeds of horses (Khadka, 2010). Because of this it is important to establish the Icelandic horse breed as a distinct and unique entity. Based on branding principles, the Icelandic horse is justifiably a specific product competing for market share in the world of recreational equestrianism, making it a brand in its own terms. However, until recent strategic marketing efforts were established, the Icelandic horse was an unregulated brand without unified or consistent management. Individual and scattered efforts with no marketing vision have defined the industry for the last few decades of the 20th century. In addition, even though the government has incidentally and unsystematically provided financial support to increase export (Möller et al., 2009), the marketing of the Icelandic horse
abroad has been fragmented and relied mostly on individual effort since its inception in the 1950s (þingskjal nr. 771/1998–1999).

2.1 Distinctive features of the Icelandic horse

Horse breeds vary greatly depending on their breeding and environment they originate from. The main distinctive aspects of the Icelandic horse are its gaits. A gait is a coordinated rhythmic movement of the legs, identified by the timing and sequence of the footfalls (Clayton, 2004). Each type of gait has its variable e.g. with speed, so at times it can prove difficult to distinguish between gaits (Östlund, 2011), especially if the experience or knowledge of the viewer is lacking. A horse’s gait of choice is decided by speed, genetic constitution and environmental factors, such as training (Alexander, 1988; Clayton, 2004).

In addition to the three gaits all horses can perform; walk, trot and canter, the Icelandic horse possesses two additional ones; tölt and pace (Björnsson & Sveinsson, 2006). Those Icelandic horses that have the ability to perform all five gaits are referred to as five-gaited horses, whereas horses that are without the ability to perform pace are called four-gaited horses (Kristjánsson, 2014). Tölt (sometimes known as amble) is a four-beated running lateral gait without suspension. It is therefore soft for the rider to sit, where the horse’s weight is transferred smoothly from limb to limb (Clayton, 2004). It possesses a wide speed range as Icelandic horses can move in tölt from almost a walking speed to a speed where traditional three-gaited horses break from trot into canter (Biknevicius, Mullineaux & Clayton, 2004). Pace is similarly a lateral gait but with a suspension phase where lateral limbs move just about synchronously back and forth. Pace is optimally a fast gait and is traditionally ridden in sharp sprints (Clayton, 2004).

The gait diversity is fundamental in the breeding, training and marketing of the breed. The official breeding goal is set to produce healthy, fertile and durable horses with emphasis on strength, flexibility and a muscular body. The conformation should facilitate exceptional ability in quality and movement in the gaits and should be in all aspects aesthetically pleasing. Additionally, the horse should be reliable, spirited and versatile. Most importantly, the Icelandic horse should possess excellent temperament, with a willing yet gentle spirit (reglugerð um uppruna og ræktun íslenska hestsins 442/2011). Accordingly, the main goal in breeding of the Icelandic horse should be producing aesthetically appealing and capable riding horses with five gaits and good spirit, suited both for leisure and competition (FEIF, 2010). Systematic breeding of the Icelandic horse only began in the middle of the 20th century, so considerable phenotypic variation can be found within the breed for performance and conformation (Kristjánsson, 2014).

The breed’s predominant isolation since 11th century has brought into being a unique distinction from other horse breeds (Björnsson & Sveinsson, 2006), since most modern horse breeds have been mixed considerably for genetic improvements (Liljenstolpe, 2009). Accordingly, The
Icelandic horse is considered one of the purest horse breeds available today seeing that foreign genetic material has been insignificant from settlement (Aðalsteinsson, 1981). In 1882, the Icelandic parliament, Alþingi, passed the actual laws that prohibited any import of horses into the country, after centuries of implementation of said practice (Stephensen & Jensson, 1887, as cited in Björnsson & Sveinsson, 2006). This import ban guards Iceland’s livestock population against diseases and is still valid today. Thus, when a horse is exported from Iceland, it can never return (Icelandic Food and Veterinary Authority, 2020).

Aside from enforced isolation of the breed, natural selection has also played a major role in the development of the breed both in appearance and temperament, as severe weather conditions and natural disasters have put their mark on the stock. For example, following the Skaftáreldar eruption in 1783, it is believed that around 60-70% of the horse stock was killed by starvation and poisoning from volcanic ash (Björnsson & Sveinsson, 2006). Therefore, the natural selection conceived a horse who is considered an “easy keeper” as his gastrointestinal system is well suited to digest roughage and thus able to utilize nutrients from poor forage to the fullest, more so than most other horse breeds (Sverrisdóttir, 1989). Only around 60-70 years ago, horses were kept outside all year round in all kinds of weather and hardly fed; a true survival of the fittest. The individuals who could fend for themselves, had compact bodies, thick winter coats and could digest roughage most effectively made it through the harsh winters (Björnsson & Sveinsson, 2006). Not only did natural selection influence the way the modern Icelandic horse is comprised, but to this day it is a common practice in Iceland to eliminate horses who do not find a purpose. Owing to this selectiveness, the modern Icelandic horse holds a self-assured and independent yet sociable and respectful mindset. As a versatile riding horse, he is considered easy to handle and willing to please, tough and powerful with great stamina (FEIF, 2020). He is generally considered to possess a more calming and trusting disposition than other horse breeds, as well as being brave and smart (Björnsson & Sveinsson, 2006).

Into the bargain, the temperament and characteristics of the Icelandic horse are consequential results of environmental distinction. Even today, the Icelandic horse is bred in an environment that differs greatly from that of most breeds in modern societies. He spends much of its lifetime in a herd, grazing the whole year round in large fields or highland pastures. Stables and fenced enclosures are known only to trained horses who, according to Icelandic animal welfare laws, should also get to enjoy at least two months of pasture break each year (reglugerð um velferð hrossa nr. 910/2014). For ages, farmers and horse breeders have put emphasis on the importance of growing up in a herd in a vast pasture, where dozens or even hundreds of horses roam free, so it is no wonder the freedom is so closely connected to the character of the horse. Overseas, the situation is often quite different. In European countries especially, wide open areas that equestrians have grown accustomed in Iceland are limited (Björnsson & Sveinsson, 2006). A famous Icelandic
equestrian even went so far to describe horses born outside of Iceland to be dense, “as they grow up in small enclosures with few companions where they never have to think or put much effort into surviving, such as looking for grass or water and finding their way through obstacles” (Aðalsteinsson, R. as cited in Björnsson & Sveinsson, 2006, p. 46). These exclusive environmental circumstances are of great significance according to FEIF (2019c), to be able to fully appreciate and enjoy the breed. In fact, one of the rules of the federation is that: “the rider shall take into account the special background and needs of the Icelandic horse and keep the horse under as natural conditions as possible, which provide enough light, fresh air and space for free exercise”.

Another significant distinction of the breed is its size. The Icelandic horse is relatively small compared to other popular sport and riding horses for adult riders, with the average height of a breeding horse being 138.5 cm at the withers in 2005 (Björnsson & Sveinsson, 2006). The official breeding goal states that Icelandic horses should be between 135 to 145 cm (reglugerð um uppruna og ræktun íslenska hestsins nr. 442/2011). However, with selective breeding the stock has both grown in size in the last 20-30 years and improved, both in conformation and performance, according to breeding value records (Albertsdóttir, 2010). In a recent study from 2014, the average height of breeding horses was 141±2.7, the range being 134-149 cm (Stefánsdóttir, Ragnarsson, Gunnarsson & Janson, 2014), so there are apparent indications that the stock’s average height has been increasing.

A welfare debate regarding the weight carrying capacity of the Icelandic horse has been ongoing within the international equestrian industry (Stefánsdóttir, Gunnarsson, Roepstorff, Ragnarsson & Jansson, 2017). As a consequence, the breed’s size may have been an impeding factor in its international reputation through the years, as many equestrians seem to consider the size of the Icelandic horse to be insufficient to carry an adult rider. Despite its moderate size, the Icelandic horse is generally considered and referred to as a horse but not as a pony. Internationally, there has been a tendency to label the Icelandic horse a pony (Edwards, 1993), due to the fact its size sits around the described borderline of a pony size. There is no undisputed definition regarding when an equid is considered a pony, but the FEI (Fédération Equestre Internationale), the international governing body of equestrian sports, defines a pony to measure less than 148 cm (14.2 hands, 58 inches; Eurodressage, 2008). Even though there can be a considerable debate over whether to identify certain breeds as horses or ponies, it is eventually up to the individual breed registries to classify the breed in question. For Icelanders it is a simple debate, as the Icelandic language does not have an equivalent word for a pony.

The Icelandic horse has another not so advantageous distinctive feature to deal with when exported from Iceland; the summer eczema or sweet itch. It is a chronic, recurrent seasonal dermatitis of horses, caused by hypersensitive reaction to the bite of Culicoides midges, who are not indigenous to Iceland (Schaffartzik et al., 2012). All horse breeds can be affected but Icelandic
horses born in Iceland and exported to areas where the allergen is present are more strongly affected than most other breeds. The occurrence has been very high in exported horses, up to 50% in areas where the midges are common. The disease causes great discomfort for the horse and has proven to be a serious issue regarding export of the Icelandic horse, as buyers prefer to buy Icelandic horses born in Europe out of fear of the summer eczema (Björnssóttir, Sigvaldássóttir, Broström, Langvad & Sigurðsson, 2006). Since the year 2000, an ongoing collaborative summer eczema project has been continued between the University of Iceland’s Institute for Experimental Pathology at Keldur and the University of Bern, Switzerland with the objective to develop an immunotherapy against insect bite hypersensitivity. Recently, a group of horses were exported in an experimental trial, where scientists tried the first vaccination after 20 years of research (Arnarsóttir, 2020).

2.2 Trade and Export
The international equine sector is much more extensive than most people suspect. Within the European Union (EU) alone, there are around 7 million equines which are used for wide variety of purposes. That figure is probably even an underestimation of the true equine population. The size of the European equine sector is worth over €100 billion per annum and provides employment to at least around 900,000 people (World Horse Welfare & Eurogroup for Animals, 2015).

The first real foreign market opportunity for the Icelandic horse emerged in the 1850s (Björnsson & Sveinsson, 2006), when demand from the British Isles for small horses intended to work in coal mines presented itself. Icelandic horses were shipped by the thousands to live the rest of their lives deep down in the mines. The export brought valuable foreign currency into the country, which at the time lagged behind most western countries in the industrial revolution (Ó.Ó, 1887). Icelanders knew that by exporting horses to the British Isles, they would be condemning the horses to a lifetime of darkness and bad treatment and therefore grabbed to opportunity to fetch a decent price for their least valuable and undesirable horses (Björnsson & Sveinsson, 2006). For that reason, only a handful of good Icelandic horses were exported and the breed’s reputation and value suffered as a result (Danielsson, 1905).

Nevertheless, the demand for Icelandic horses as working horses remained ongoing up until the Second World War. They were perfect candidates in either mines or fields but were considered too small to drive carriages. They proved strong compared to their size and possessed gentle temperament (D.D., 1926). As the image of the Icelandic horse deteriorated in Europe in the beginning and the middle of 19th century, farmers put pressure on Icelandic authorities to form a strategy which would put more emphasis on quality rather than quantity of exported horses, along with forming a more strategic and regulated approach towards breeding of the horse. The export of devalued and untrained horses was to be deterred and horse farmers were encouraged to be selective in their breeding (Sæmundsen, 1949).
Following the industrial revolution and the second World War, the Icelandic government was increasingly trying to become a member of the world society by promoting Iceland’s resources, one of them being the Icelandic horse. The emphasis was to present the horse as a quality riding horse (*þingskjall nr. 771/1998–1999*). Germany replaced England as the main market for Icelandic horses, where they gained a reputation for being ideal horses for recreational purposes. They were considered low maintenance, i.e. easier to feed and train, possessing gentle temperament and great gait versatility (Björnsson & Sveinsson, 2006). However, the Icelandic horse still remained relatively unknown breed outside its fan base, who were mostly recreational riders in Germany and Scandinavia.

It was not until 1970s that awareness about the breed spread out further around Europe and the image of the Icelandic horse started to improve. By the initiative of few individuals, better horses were exported and selling prices quickly elevated with parallel demand (S.B., 1972). With the establishment of the Horse Trainers Association in 1970 (Félag Tamningamanna, 2010), horse trainers became an acknowledged profession and the education level within the industry rose greatly. Consequently, with the increased profitability of the industry the Icelandic government seemed keener to underpin stakeholder’s efforts. Today, there is an extensive business around the Icelandic horse which delivers considerable income to the national economy, directly and indirectly in the form of export, horse-based tourism, breeding and training (Möller et al., 2009).

### 2.3 Main Markets and Opportunities

Even though the Icelandic horse offers variety in terms of intended purposes, the traditional Icelandic way of riding and in gaited competitions conducted by FEIF is somewhat different from the international predominant disciplines in other countries. Internationally, the horse breed is usually of little consequence in most equestrian sports unless it is in specific breed class. However, some breeds are favored in each discipline as they are more likely show the desirable traits in some specific discipline, such as Warmbloods being commonly used in dressage, Thoroughbreds for racing and Arabians for endurance (Luxmoore, 2008). Consequently, the discipline is a huge driver of purchasing intentions for equestrians. Most marketing about the Icelandic horse is international, seeing as the breed is the only one available in Iceland. The Icelandic horse is thus competing amongst other sports and recreational activities in Iceland while the perspective is different abroad.

The biggest market for Icelandic horses outside of Iceland is Germany, where there are around 59,500 horses registered alive. The Icelandic horse has stretched its hoof far and wide, even all the way to the other side of the planet. New Zealand and Australia are the least populated country members of FEIF, with 166 and 281 registered horses respectively, besides Liechtenstein with 4 horses. Table 1 demonstrates the scope of the international Icelandic horse society, showing data from members associations in each country from 2019, such as the number of horses located in

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1. **Table 1**: Scope of the international Icelandic horse society.

- **Germany**: 59,500 horses registered.
- **New Zealand**: 166 registered horses.
- **Australia**: 281 registered horses.
- **Liechtenstein**: 4 registered horses.

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each of the 22 countries, number of registered members, horses per member, number of clubs and how many foals were born that year (FEIF, 2019a).

Table 1: Number of horses, members, horses per member, clubs and foals born 2019 by country (FEIF, 2019a).

<table>
<thead>
<tr>
<th>Country</th>
<th>Horses</th>
<th>Members</th>
<th>Horses per member</th>
<th>Clubs</th>
<th>Foals born 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iceland</td>
<td>94.209</td>
<td>11.793</td>
<td>8.0</td>
<td>44</td>
<td>4.070</td>
</tr>
<tr>
<td>Germany</td>
<td>59.459</td>
<td>27.417</td>
<td>2.2</td>
<td>177</td>
<td>1.970</td>
</tr>
<tr>
<td>Denmark</td>
<td>41.417</td>
<td>11.420</td>
<td>3.6</td>
<td>66</td>
<td>1.495</td>
</tr>
<tr>
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<td>7.309</td>
<td>4.5</td>
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</tr>
<tr>
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<td>2.200</td>
<td>6.4</td>
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<td>2.284</td>
<td>3.7</td>
<td>5</td>
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</tr>
<tr>
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<td>1.622</td>
<td>3.9</td>
<td>78</td>
<td>198</td>
</tr>
<tr>
<td>United States of America</td>
<td>5.261</td>
<td>771</td>
<td>6.8</td>
<td>14</td>
<td>31</td>
</tr>
<tr>
<td>Switzerland</td>
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<td>1.427</td>
<td>2.9</td>
<td>10</td>
<td>43</td>
</tr>
<tr>
<td>Finland</td>
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<td>1.206</td>
<td>3.1</td>
<td>19</td>
<td>15</td>
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<tr>
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<td>12.9</td>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td>Canada</td>
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<td>96</td>
<td>19.4</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>Belgium</td>
<td>1.783</td>
<td>164</td>
<td>10.9</td>
<td>4</td>
<td>32</td>
</tr>
<tr>
<td>Great Britain</td>
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<td>176</td>
<td>5.7</td>
<td>0</td>
<td>16</td>
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<tr>
<td>Slovenia</td>
<td>371</td>
<td>55</td>
<td>6.7</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Faroe Islands</td>
<td>335</td>
<td>135</td>
<td>2.5</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Italy</td>
<td>330</td>
<td>47</td>
<td>7.0</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>330</td>
<td>45</td>
<td>7.3</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Australia</td>
<td>281</td>
<td>52</td>
<td>5.4</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>New Zealand</td>
<td>166</td>
<td>59</td>
<td>2.8</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Liechtenstein</td>
<td>4</td>
<td>51</td>
<td>0.08</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Hungary</td>
<td>-</td>
<td>63</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>280.050</td>
<td>68.662</td>
<td>542</td>
<td>9.041</td>
<td></td>
</tr>
</tbody>
</table>

Seeing how many horses are in each country in relation to members in Icelandic horse communities can imply how invested owners of the Icelandic horse are to their horses’ origin and training. The number of horses per member implies the extent owners are registered members of Icelandic horse societies. As that number is higher, the involvement in the breed’s societies in said country is poorer. There are relatively few members compared to the number of Icelandic horses in Norway (6.4 horses per member), which is among the top five countries with the most Icelandic horses. That suggests opportunities for growth; the country can handle an expansion fairly well as
the infrastructure is already in place and a close proximity to strong markets. In the United States and Great Britain, there seem to be opportunities for growth as well. However, the countries that hold the weakest position regarding horses per member are Canada, France and Belgium, suggesting really low involvement in Icelandic horse societies. Taken together, the absolute number of horses and the horses per member imply how the market could evolve in the next few years as in countries with a high number of horses and high horses per member marketing may be focused on current owners by encouraging more involvement with breed societies, whereas in countries with a low number of horses and lower horses per member, marketing efforts may focus more in increasing awareness, ownership and society membership outside of current owners.

People who own an Icelandic horse but do not train it according to the acknowledged methodology (i.e. gait training) through gaining education in associated societies, can be the explanation for the imbalanced numbers. The functioning of Icelandic horse societies varies greatly between countries. For example, in Germany the involvement in the breed societies is really high, seeing as the number of horses per member is only 2.17. German Icelandic horse associations presumably offer something that fits everybody, whether they are interested in competitions, trail rides, education or other. This is also clear in the large number of clubs, 177, which vastly outnumber that of any other country. In other countries, that might not be the case and owners of the Icelandic horse might not see a gain in joining an Icelandic horse society. Also, accessibility to Icelandic horse communities varies significantly by country. It would be a mutual benefit to have as many owners of Icelandic horses to be a part of an association where riders with mutual interest could feel at one with other Icelandic horse enthusiasts in order to strengthen the infrastructure of the international industry around the Icelandic horse. Furthermore, how many foals are born each year give a good indication of the extent the country is being self-sufficient in breeding the Icelandic horse.

2.3.1 Germany

There is a strong equestrian culture and sport tradition in Germany. The significance of equestrian activities is best seen in the numbers, as 1.7 million people actively participate in equestrian activities in one way or another and the horse population has increased fourfold over the last 40 years (Deutsche Reiterliche Vereinigung - Fédération Equestre Nationale [FN], 2014). Germans possess extensive knowledge of the Icelandic horse and trends in riding have transmitted from there to Iceland and back for a long time. Due to German influence, riding in Iceland took a great step forward in the second half of the 20th century (Möller et al., 2009). As Germany is the home to the second highest number of Icelandic horses in the world, he has adjusted well into the German equestrian scene and retains a position as a prestige horse breed with over 25,000 members in The Icelandic Horse Rider and Breeding Association (FN, 2014).
Like table 1 shows, Germany has almost three times more members in Icelandic horse clubs than Iceland, which indicates well the extent of the Icelandic horse society in Germany. Germany is the second largest producer of Icelandic horses with almost 2,000 foals born in 2019 (FEIF, 2019a). In the first decade of the 21st century, export to Germany contracted considerably compared to before. The contraction was mainly due to the collapse in demand for cheaper horses, e.g. general riding and family horses, as Germans have become self-sufficient in breeding such horses. However, they still look to Iceland when it comes to competition and breeding horses even though being by and large competent in breeding of outstanding horses (Möller et al., 2009). Although Germany can be considered a saturated market in terms of riding horses especially, the country still remains as one of the biggest export markets, as Germany has accounted for at least one-third of the total export for the last 5-7 years (Icelandic Food and Veterinary Authority, 2019).

2.3.2 Nordic Countries
The Icelandic horse fits well with the Scandinavian culture and mindset, as the horse of the Gods, such as Óðinn’s eight-legged horse Sleipnir. The equestrian sector, based on rich traditions and long history, has grown to become one of the most popular public sports in Scandinavia as the Nordic countries benefit from vast land spaces that allows for free leisure. Together, the Nordic countries (Denmark, Sweden, Norway, Finland, Faroe Islands and Iceland) represent one of the biggest markets for Icelandic horses. Extensive communication with Iceland, well-constructed Icelandic horse associations and a lively competition environment has strengthened the market and remain its biggest support (Möller et al., 2009). Denmark, in spite being the smallest country geographically, boasts of almost as many members in Icelandic horse communities as Iceland itself, 11,420 in total and the third biggest population of Icelandic horses (FEIF, 2019a). Given that Iceland once remained under Danish rule, it comes as no surprise that the breed became popular there, as the two countries and its citizens have remained in close communication through the years.

Rich equestrian tradition remains in Scandinavia, perhaps the most in Sweden where intensive activities involve both breeding and competition of racing trotters and classical riding. A similar equestrian situation exists in Norway but not as extensively. At the same time, Danes have achieved great results with their Danish Warmbloods in dressage and show jumping events. Horsemanship in the Faroe Islands is severely restricted for geographical reasons so there is no explicit equestrian tradition. However, riding of Icelandic horses in the Faroe Islands has increased somewhat, not at least through acquaintances, proximity to Iceland and homogeneous geographical territory. In Finland, the Icelandic horse market has grown more rapidly there than in other countries for the last few years (Möller et al., 2009). However, in the country of thousand lakes, the summer eczema presents a problem, since Culicoides midges thrives well there. In order to gain more market share in that market, preventive measures must be taken (Jónsson, 2004). Finland is thought to be the key to the marketing of the Icelandic horse to Russia, where riding culture is deep-rooted and the
market extremely widespread. Even so, the Russian market presents vast opportunities for the Icelandic horse (Möller et al., 2009).

2.3.3 Europe
The Icelandic horse is present in many countries in Europe, even though he might not be particularly well known. In countries where rich equestrian culture prevails, there are windows of opportunities for the Icelandic horse that just need the right set of circumstances in order to fly open. Growth opportunities can be identified in many European countries, as geographical proximity to arranged infrastructure makes it an easier market to penetrate (Promote Iceland, 2015). Netherlands, Austria and Switzerland are markets that the Icelandic horse has a fairly good position, horses per member-wise. Austria and Switzerland are closely related to the German market as they speak similar languages and benefit from their infrastructure. Netherlands has long been a prosperous market for the Icelandic horse with a strong community around the Icelandic horse, also benefitting by a geographical proximity to Germany.

Marketing initiatives in France have targeted existing riders and French horse lovers, where the Icelandic horse was presented as a family horse. The main objective was to highlight the breed’s characteristics that are directly linked to the country of origin and its nature. The breed was promoted as being a part of “easy breeds”, i.e. to be easy to handle, care for and ride. The initiative’s conclusion was that through 18 months of promotion, awareness of the Icelandic horse amongst French riders had risen greatly. However, emphasis was put on the importance of targeting show jumping riders and enthusiasts, as that is the most popular form of sport horse riding in France, explaining partly the reason for a reluctance among French riders to convert to Icelandic horse (Pur Cheval, 2014).

2.3.4 Great Britain
Great Britain is another market where equestrian culture is deep rooted but unlike the Nordic countries where riding can be considered a public sport, equestrian pursuit in Great Britain is often associated more with the upper class rather than being a recreational activity for the general public. The British market has turned out to be tricky and ill responsive towards the Icelandic horse, as his image is weak and he is considered as a pony, i.e. a children’s horse (Möller et al., 2009). A National Equestrian Survey conducted by The British Equestrian Trade Association in 2019 stated that the economic value of the national equestrian sector is around £4.7 billion of consumer spending of goods and services each year. Furthermore, the survey proclaimed 27 million people in Britain to have an interest in the equine industry while up to 3 million people claimed to have ridden at least once in the past 12 months. Lack of access to horses and riding facilities was also found to be a barrier for 22% of lapsed riders returning to the sport (The British Equestrian Trade Association, 2019).
Entrance barriers have moreover made it hard for the Icelandic horse to penetrate the British market since Brits are quite conservative in their equestrian culture, where dressage and hunting are the two most popular horse sports. In addition, the rather unsatisfactory Icelandic horses that were sold to work in the mines in the 19th century had an undesirable impact on the breed’s image and reputation (Jónsson, 2004). However, Brits represent the largest group of tourists’ nationalities with increased interest in traveling to Iceland, so the image of the Icelandic horse may steadily strengthen among British equestrians (Möller et al., 2009).

2.3.5 United States of America

The American market is extremely large and multifaceted. The local and most common way of riding is Western riding, which is quite different from European equestrian culture (Jónsson, 2004). The horse has a strong significance in American culture as the animal that made seeking new conquest possible in the land of dreams. Marketing efforts in the United States have been limited and awareness of the Icelandic horse substandard. Furthermore, The Icelandic horse has been considered expensive by American standards, as well as being too small (Möller et al., 2009). Members in Icelandic horse societies are comparatively low, as The United States rank number eight in total numbers of Icelandic horses and with 6.8 horses per member (FEIF, 2019a). This suggest the same situation as mentioned with Great Britain and France, where Icelandic horse owners are not necessarily members of an association and therefore may miss out on being a part of a community surrounding the Icelandic horse. Thus, failing to preserve other qualities the Icelandic horse has to offer, as they do not know how to maintain its training and mentality. Access to instructors and education is vital in order to expand the Icelandic horse’s esteem in these markets.

The Icelandic horse’s biggest competition in the United States is the breed of Paso Fino horse. He is also a gaited horse breed, cheaper, bigger than the Icelandic horse and more accessible, as his origin is South America (Oklahoma State University Department of Animal Science, n.d.) There is a lot to be gained by expanding the American market as purchasing capacity is relatively high, there is an increasing interest in equestrian activities and negligible class distinctions within the equine sector. However, the market is fragmented and Icelandic horse communities can mostly be found in the East coast, in the Midwest and in California. Travel to competitions and clinics can therefore be substantial as distances are great and accessibility to specialized instruction and advice is scarce (Jónsson, 2004).

2.3.6 International Market Share

By viewing the position of the Icelandic horse in the international equine community one gains a better understanding of what action is required to promote the breed. Table 2 shows the estimated market share of 18 out of the 22 countries who are a part of FEIF, The international federation of Icelandic horse associations. The numbers are based on three separate references, as global horse
population numbers are incompetently registered and hard to come by in many countries. The Horses in Europe report from 2009 (Liljenstolpe, 2009) and The Health and Welfare of European Equidae report from 2015 (World Horse Welfare & Eurogroup for Animals, 2015) forms the data for European countries while the other countries numbers come from The Food and Agriculture Organization of the United Nations’ statistical database (FAOSTAT). The table gives a rough estimation of the Icelandic horse’s market share in each country.

Table 2: Estimated market share of the Icelandic horse in 18 of the 22 FEIF countries

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>-</td>
<td>-</td>
<td>270.000</td>
<td>187</td>
<td>0.07%</td>
</tr>
<tr>
<td>Austria</td>
<td>100.000</td>
<td>103.250</td>
<td>-</td>
<td>5.056</td>
<td>4.8-5%</td>
</tr>
<tr>
<td>Belgium</td>
<td>300.000</td>
<td>535.897</td>
<td>-</td>
<td>1.613</td>
<td>0.3-0.5%</td>
</tr>
<tr>
<td>Canada</td>
<td>-</td>
<td>-</td>
<td>408.000</td>
<td>1.728</td>
<td>0.4%</td>
</tr>
<tr>
<td>Denmark</td>
<td>150.000</td>
<td>121.500</td>
<td>-</td>
<td>38.113</td>
<td>25-31%</td>
</tr>
<tr>
<td>Finland</td>
<td>77.000</td>
<td>74.100</td>
<td>-</td>
<td>3.478</td>
<td>4.5-4.7%</td>
</tr>
<tr>
<td>France</td>
<td>900.000</td>
<td>840.259</td>
<td>-</td>
<td>3.220</td>
<td>0.4%</td>
</tr>
<tr>
<td>Germany</td>
<td>1.000.000</td>
<td>480.500</td>
<td>-</td>
<td>47.160</td>
<td>4.7-9.8%</td>
</tr>
<tr>
<td>Great Britain</td>
<td>1.000.000</td>
<td>796.000</td>
<td>-</td>
<td>979</td>
<td>0.1%</td>
</tr>
<tr>
<td>Italy</td>
<td>300.000</td>
<td>468.851</td>
<td>-</td>
<td>325</td>
<td>0.07-0.1%</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>4.490</td>
<td>4.887</td>
<td>-</td>
<td>257</td>
<td>5.3-5.7%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>400.000</td>
<td>293.500</td>
<td>-</td>
<td>7.967</td>
<td>2.2-7%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>-</td>
<td>-</td>
<td>137.000</td>
<td>137</td>
<td>0.1%</td>
</tr>
<tr>
<td>Norway</td>
<td>45.000</td>
<td>-</td>
<td>38.794</td>
<td>13.169</td>
<td>29-34%</td>
</tr>
<tr>
<td>Slovenia</td>
<td>22.000</td>
<td>23.000</td>
<td>-</td>
<td>363</td>
<td>1.6%</td>
</tr>
<tr>
<td>Sweden</td>
<td>280.000</td>
<td>229.000</td>
<td>-</td>
<td>30.082</td>
<td>10-13%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>-</td>
<td>-</td>
<td>57.200</td>
<td>3.378</td>
<td>5.9%</td>
</tr>
<tr>
<td>United States</td>
<td>-</td>
<td>-</td>
<td>10.260.000</td>
<td>4.838</td>
<td>0.05%</td>
</tr>
</tbody>
</table>

The table shows that the Icelandic horse holds a strong position in several countries. In Denmark, for instance, the breed represents 25-31% of equines in the country while in Norway the Icelandic horse has about 29-34% market share. Currently, Icelandic horse enthusiasts represent 1.6% of the equestrians in Germany (FN, 2014) while the market share of the Icelandic horse in Germany’s equid population is 4.7-9.8%. Even though Germans are the largest representation of Icelandic horse associated members, there are clear signs that further advancement in Germany is reasonable. The countries with the biggest equine population are Germany, Great Britain and France. One can conclude that equestrians are numerous in those countries and equestrian recreation of great importance. Only in Germany, the Icelandic horse’s market share is somewhat satisfactory compared to the equine sector’s scope, while Great Britain and France can be considered to offer great potential as future significant markets.
3 Positioning

In essence, marketing is about improving the odds for success. The concept of brand equity addresses the management of the intangible assets that a brand represents (Keller, 2013). Looking at the modern society, it is fair to say that branding has rarely, if ever, been as important as it is today. In the smart-world we live in, with its constant stimulants and ceaseless technological innovations, consumers are increasingly becoming more indifferent towards the vast number of options presented to them. That is why brands have become an integral part of today’s marketplace (Campbell, 2002). In that way, brands can simplify consumer evaluation of products and direct him in the purchasing decision. It is necessary for people to be able to separate the wheat from the chaff when it comes to decision making, so brands play a vital role to simplify and improve consumers’ lives (Kotler & Keller, 2006). The concept of strategic brand management involves the design and implementation of marketing efforts to build, measure and manage brand equity (Keller, 2013). Only, the question remains if something can really be a brand without deliberate marketing activities. As previously stated, the Icelandic horse has been promoted in various ways since the middle of the 20th century but has he truly been an international brand, until deliberately made so by Horses of Iceland?

3.1 Target Marketing

Like the fallen from grace American comedian, Bill Cosby once said; “I don’t know the key to success but the key to failure is trying to please everybody.” That phrase applies as well in marketing as in life in general. Nobody has the ability the appeal to everyone, whether being a person or a business. However, for the most of the twentieth century, consumer products companies were too preoccupied with keeping up with the world’s population growth and held fast to mass-producing, mass-distributing and mass-promoting. The mass marketing strategy is concerned with creating the largest potential market with as low cost as possible, by promoting the same product in the same way to all consumers (Kotler, Armstrong, Saunders & Wong, 2005). A great importance must be placed on the fact that consumers can be as different as chalk and cheese, as they vary on many dimensions across markets. It would prove as a futile attempt trying to connect with all of them on a large, broad and diverse markets (Kotler & Keller, 2006). This holds true for the Icelandic horse as much as any product or service.

The opposing approach is the target marketing process, which can be described as the effort of an organization to serve a set of buyers that share common needs, wants or characteristics. The process acknowledges the effectiveness of selecting a segment and developing marketing mix tailored to each group (Kotler et al., 2005). For all intents and purposes, the use of target marketing is substantiated by the presumption that those who are targeted, or spoken to, will have strong affinity for the brand in question (Aaker, 1999). According to custom, target marketing is divided
into three steps who each have their own objective that impacts the whole process, also known as STP; where Segmentation involves identifying potential customers, Targeting entails selecting which customers the firm will pursue while Positioning is about formulating a value proposition for its target customers (Kotler et al., 2005; Simkin & Dibb, 1998). See figure 1.

**Figure 1: Six steps in market segmentation, targeting and positioning (Kotler et al., 2005)**

Buyers differ in innumerable ways, whether it is their wants, resources, locations, attitudes or buying practices. The core of target marketing is defining which consumers we would like to attract as customers and ensuring that these buyers will turn into loyal and profitable customers, by means of providing them with the best the organization has to offer, both product and service-vise. Correspondingly, it is of equally importance to define who we do not care to attract (Cahill, 1997). Segmentation refers to the process of dividing consumers into segments based on similar sets of needs and wants. The segments identified can be based on different variables, such as geographic, demographic, psychographic and behavior (Kotler & Keller, 2006). As an alternative of bending the demand to the will of supply, segmentation signifies that by adjusting the marketing program to recognize customer differences in particular segment, organizations can secure demand on the target market (Smith, 1956). This way, instead of scattering the firm’s marketing efforts, the focus can be pointed towards particular segments which are thought to have a greater purchasing intent (Kotler et al., 2005).

After identifying segments, the next course of action is to decide upon how many and which ones to target. Targeting involves evaluating the attractiveness of each market segment and then selecting which to aim the marketing messages towards (Gupta, 2014). Whilst perspectives on what an attractive market is composed of certainly differ, the association between market attractiveness and profitability is widely acknowledged (Simkin & Dibb, 1998). Attractiveness is nevertheless a relative factor. The characteristics of the segment, like size, growth rate and competitive position has to be in accordance with the firm’s own capabilities and resources to be capable of fulfilling the segment’s needs (Kotler & Keller, 2006). In its essence, the intention is to identify a group of customers to whom the offering should be “right”, in order for the firm to effectively target its attention, time and resources (Cahill, 1997).
The third and final step of the STP process is positioning. Kotler and Keller (2006) define positioning “as the act of designing the company’s offering and image to occupy a distinctive place in the mind of the target market” (p. 310). The initiators of the term, Al Ries and Jack Trout (1981) emphasized that positioning starts with a product, whether it is a piece of merchandise, a service, an institution or a person, i.e. a brand, but is however not what you do to said product. Positioning is about what you do to the mind of the prospect, i.e. you position the product in the mind of the prospect. Positioning a product requires capitalization of the marketing mix, designed to reflect the value proposition the product offers and to shape the customer’s perception about the nature of that offer (Simkin & Dibb, 1998). In its simplest terms, positioning is to influence consumers’ perception (Kotler et al., 2005).

Be that as it may, every person is prone to interpret their environment in its own way. People tend to perceive things that relate to their pre-existing interest and attitudes, either to support their beliefs or to invalidate them. In that way we are biased towards any communication, including marketing communication. In an increasingly overcommunicated environment, people are likewise getting more selective about the information that they are receiving, as a self-defense mechanism against sheer volume (Trout & Rivkin, 1996). To simplify buying decisions, consumers compartmentalize products in their minds. A product’s position consists of complex perceptions, impressions and feelings that a consumer holds in comparison with competing products. It happens even without marketing activities, but most organizations do not leave their product’s or brand’s position to chance (Kotler et al., 2005), even though that may happen with countries, places or other brands that are not consciously managed. In order to convey a consistent message, a clear positioning strategy must be designed since all elements of the marketing program can potentially affect the position. All elements need to be in line with the associations intended and be supportive of the impression that the positioning strategy is supposed to manifest (Aaker & Shansby, 1982).

The idea is that the consumer should not only just remember the brand, but to have positive and favorable beliefs and emotions towards it, preferably in relation to competitive brands (Ries & Trout, 1981). Trout and Rivkin (1996) proclaimed that when the emotional context is right, certain transmitters are activated in the brain and material is recorded more firmly, as memory is closely tied to the limbic system, the brain’s set of emotions. They furthermore state that in their experience, people do not always know what they want or describe why they act as they do, as minds tend to be emotional, not rational. Research has established that not all purchases are based on practical, rational-driven decisions, as underlying emotions and attitudes influence their behavior, i.e. subconscious motivations (Holbrook, 1982; Holbrook & Hirschman, 1982; Holbrook & O’Shaughnessy, 1984; Rago, 1989; Taylor, 2000; Kotler et al., 2005). As hedonic purchases are more often based in emotional decision-making (Hirschman and Holbrook, 1982), equestrian purchasing is presumably mostly emotional rather than rational.
Formulating a positioning calls for a certain frame of reference, in order to identify the target market and the nature of competition. Consumers hold different perceptions and brand knowledge structures so that must be kept in mind when deciding upon which brand attributes should be emphasized in the marketing. By determining the target segment, the nature of competition is most often implicitly defined (Keller, 2013). Positioning analysis is the process of analyzing how a company’s current brand is perceived by the marketplace. When identifying target market opportunities, a company needs to compare the way its brand is perceived with the needs of the targeted market.

3.2 Positioning Strategies

Aaker and Shansby (1982) specify six positioning strategies in order to influence consumer’s choices. The most frequently used approach according to them is *positioning by attribute*, where specific features are associated with the brand or product. Tempting as it may be, they point out that positioning along several attributes may prove difficult to implement and result in confused image if not handled correctly. Rago (1989) argues that this was the classical approach to marketing, where advertising concentrated on presenting product attributes in order to get consumers to make a rational decision to purchase the brand. However, technology has made functional benefits less distinct and less likely to be acknowledged in the modern marketplace so it would be advisable for advertisers to rely more on intangible characteristics. The freedom, natural connection and the Icelandic horse’s spirited character due to its origin are an example of such intangibles.

The second approach, *positioning by price/quality* is quite straightforward. In many product categories, some brands offer higher quality that results in higher prices while others emphasize value for less price. Department stores are prone to position themselves by price/quality. For instance, Saks Fifth Avenue and Target are on the opposite ends of the spectrum where the former retailer prides itself with its expensive and luxurious brands while the other is more aimed towards consumers on a budget (Aaker & Shansby, 1982). Another strategy is *positioning by usage*, where sensible situations for usage are brought into focus. This approach has been utilized for many products, such as After Eight which is positioned as an after-dinner sweet to share with beloved ones (Kotler et al., 2005).

*Positioning by product user* concentrates on associating the product/brand with a specific user or class of users (Aaker & Shansby, 1982). That can be associations with celebrities or users who share a common need or a want. When a product is *positioned with respect to product class* it can sometimes be the will of the organization to position the product within a different product class than what would be expected (Kotler et al., 2005). Lastly, *positioning on the ground of competition* is where the dominant aspect of the strategy is referencing to a competitor and is widely exploited in positioning strategies (Aaker & Shansby, 1982). It can either be positioned against competitors
or away from them, the difference originating in whether the intention is to compare a brand with a competitor or disconnect it from consumer’s predetermined competitor’s associations (Kotler et al., 2005). Usually, a combination of positioning strategies is applied although increasing the number involves a risk of distorted brand image, like mentioned above. For example, positioning by use often represents a second or third position, designed to expand the market (Aaker & Shansby, 1982).

3.3 Differentiation

Kotler and Keller (2006) argue that positioning requires that similarities and differences between brands to be clarified and communicated to consumers. By utilizing competitive frame of reference approach, the direct competing products or brands are determined as well as brands which functions as close substitutes. The whole competitive environment must be analyzed and a variety of factors considered, such as resources, capabilities and likely intentions of other brands (Kotler & Keller, 2006). For instance, in the case of the Icelandic horse, the competition is not only other horse breeds but the whole spectrum of other recreational activities, i.e. what people do for their own enjoyment in their leisure time. Other horse breeds merely fall into the category of direct competition, while other pastime activities are potential substitutes.

By means of differentiation, a brand can develop its strengths and maintain a competitive advantage. Without differentiating from others, a brand is like “all the rest” in the clutter of options and competes mainly on price, which proves to be a fallacious competitive advantage. Four main ways exist to differentiate: by product, service, personnel and image. The most common ways are service and image nowadays, as differentiating with product attributes is becoming increasingly difficult, following technological innovations and one can say that the personnel differentiation is a part of providing the service (Kotler et al., 2005). The differentiation should be based on positive, strong and unique brand associations, by means of emphasizing points-of-differences (POD) and points-of-parity (POP) (Kotler & Keller, 2006).

In order for a product or a brand to be competitive it needs to have points-of-parity with other similar brands, to serve as a legitimate and credible offering in comparison within a certain category. Those associations are not unique to the brand in question but shared (Kotler & Keller, 2006). Consumers can take those attributes as granted since they are more or less identical (Anderson, Narus & van Rossum, 2006). For example, to be a four-legged flight animal is a point-of-parity regarding horse breeds, since all breeds retain the same nature and physical appearance through million years of evolution.

On the other hand, points-of-difference are the factors that create competitive advantage. Consumers must consider those attributes important and to fit their requirements (Aaker & Shansby, 1982). They should serve as benefits which consumers strongly associate with a brand,
positively appreciate and believe that they could not find to the same extent with competitors (Kotler & Keller, 2006). In addition to performance related attributes to be used as point-of-difference, imagery associations are important. As PODs are generally defined in terms of consumer benefits, these benefits usually have principal underlying reasons to believe (RTBs). Having compelling RTBs is critical to the deliverability aspect of the points-of-difference (Keller, 2013). Recom mencing to our previous example, temperament and gaits may be considered points-of-difference, as most buyers wish for a horse with a kind disposition and movements fitting the discipline the horse is meant for. Those attributes vary between horse breeds and a buyer’s decision depends on his preferences of the horse’s purpose. The imagery associations are no less significant, as to what the consumer associates each breed with and to what the breed “stands for” in his mind.

3.4 Marketing Mix

Delivering the brand’s positioning requires the use of marketing tools that the firm uses to produce the response it wants from the target segments. Those marketing tools are generally referred to as the marketing mix, which consists of everything an organization can do to influence the demand for its brand or product (Kotler et al., 2005). Positioning cannot be carried out without the design of marketing tools, intended to facilitate the organization’s projections towards a specific target group (Cahill, 1997). The variables in the marketing mix are gathered in four groups that are known as the “4 Ps”: product, promotion, price and place. Each of the Ps has many aspects and presents a multitude of alternatives. The marketing mix constitutes a firm’s tactical toolkit that can be applied in order to position the brand in appropriate target markets (Kotler et al., 2005).

However, Lauterborn (1990) accurately pointed out that the 4 Ps were presented at a time when the marketing world was very different. Mass marketing and product-orientation dominated the Western world following WWII, as the lust for a better living became prevalent among consumers. Lauterborn declared that the feeding frenzy was over, which was in accordance with what Levitt (1960) had set forth 30 years previously. He had distinguished between marketing and selling by means of value proposition, since the selling method was merely concerned with exchanging products for monetary units while marketing concentrates on the entire process, from discovering needs to satisfying the customers’ wants. The 4Ps ideology represents the sellers’ view on how to influence buyers but fails to acknowledge the consumer’s viewpoint. Each of the 4 Ps must deliver a benefit for the consumer so Lauterborn (1990) suggested that firms should view the 4 Ps as the consumer’s 4 Cs: customer’s needs and wants, communication, cost to the customer and convenience. See figure 2.
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<tr>
<th>Marketing mix</th>
<th>Target market</th>
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<td><strong>Product</strong></td>
<td><strong>Customer’s needs and wants</strong></td>
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<td>Design</td>
<td>Cost to the consumer</td>
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<tr>
<td>Features</td>
<td>Opportunity cost</td>
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<td>Brand name</td>
<td>Complex equitation</td>
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<td>Packaging</td>
<td>Buying preferences</td>
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<td>Services</td>
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<td>Complex equitation</td>
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<td><strong>Buying preferences</strong></td>
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**Figure 2: The interplay of the four Ps of the marketing mix and the four Cs of the target market**

*Product* refers to anything that is offered to a target market. It includes all the attributes concerning the product, whether it being tangible product or service, as well as persons, organizations and ideas (Kotler et al., 2005). The corresponding C, customer’s needs and wants signifies that consumers can no longer be tricked into buying something that they do not want. They need to be offered something of value, that they feel fits their needs and wants with customization (Lauterborn, 1990). Undoubtedly, the product in question, the Icelandic horse, possesses quality and desirable features but he additionally needs to be presented to meet customer’s needs and wants. He needs to bring value for each and every customer, so by making sure of individual tailoring is of great significance. Obviously, a living animal cannot be customized to the extent of a typical product, however the right individual of a horse needs to be picked for the customer in order for the product to meet the customer’s needs.

*Promotion* means activities that communicate said product and its merits to target markets in order to persuade consumer in target segments to buy, often with added purchase incentives (Kotler et al., 2005). Lauterborn (1990) denotes promotion to be egocentric and manipulative way of gaining consumer’s attention and presents communication as a preferable alternative. Good advertising should create a cooperative dialogue between both parties, with both interest in mind. When marketing the Icelandic horse, it is of great importance for those responsible for marketing and selling, listen to Icelandic horse enthusiasts as much as speaking to them with promotion. Promotion also depends on what the market wants and by enabling customers to express their positive opinions on a common ground, one can generate a sustainable promotion.

*Price* is the amount of money customers pay to get the product. It is often brought into line with the buyer’s perception of the value (Kotler et al., 2005). However, firms need to bear in mind that
price is almost irrelevant, since monetary units are only a part of the cost. The cost to the consumer, such as cost of time to drive and emotional cost involved are what make the equation complex, with different solutions depending on the consumer’s values (Lauterborn, 1990). The Icelandic horse is in many markets considered to be quite expensive, especially as only a riding horse (Möller et al., 2009). People seem to accept that as they perceive they are getting a quality product. Seeing as there is usually not a list price on a horse, as it is subjective to many variables, the price can only be decided by what the buyer wants to pay, the seller’s intention to sell and the buyer’s perception of whether he is getting a good bang for the buck. Nonetheless, opportunity costs associated with finding the right Icelandic horse may require considerable effort, such as flying to Iceland or another country, spending days trying out different types of horses and choosing if one should buy that meant-to-be horse from Iceland, with relatively higher transportation costs or if one should settle for the good horse in Germany, with much lower transport cost via the land route. Icelandic sellers have still been able to keep a decent competitiveness, as horses are often cheaper to buy in Iceland, even though transportation costs are added later (Möller, 2009).

Place deals with all the firm’s activities that make the product or service available to the target consumers, such as distribution channels and coverage (Kotler et al., 2005). The C to that P is convenience to buy, that requires marketers to think beyond in order to be ever-present for the consumer. In a world of technology, people are increasingly thinking of convenient ways to live life and being only physically convenient is no longer the game-changer it once was (Lauterborn, 1990). This factor presents a problem in many markets where the Icelandic horse is already present but has failed to become noticeable to any means. Availability to the Icelandic horse and everything associated with him is scarce in many of said markets and is unlikely to change until some kind of infrastructure is built up. However, it depends more in each member country of FEIF to establish that kind of infrastructure, more than on marketers and sellers of the Icelandic horse. The internet has nevertheless brought the possibility for buyers to buy a horse by looking at a video and get a thorough description, which saves them the cost of traveling to try the horse. That solution has both proved to be very effective as well as a disaster, since it can be hard for the buyer to evaluate a horse’s character and fittingness with oneself by a video.

The fundamental task of marketing is combining elements of the 4 Ps into an effective marketing program to enable the prospect for exchange with consumers in the marketplace (Belch & Belch, 2003). The marketing of the Icelandic horse must take this into consideration. The Icelandic horse cannot be marketed towards every equestrian, as a show jumping rider is presumably looking for a horse with explicit jumping abilities and therefore the Icelandic horse is not likely to meet his wants and needs. However, if said show jumping rider has grown tired of the discipline and would like a “change of scenery”, the marketing would be more likely to speak to him even though opportunity cost and convenience to buy would have great impact on the decision.
4 Brand Management

At heart, branding is about creating a difference. These differences can on one hand be in the functional nature of the product, i.e. something that is tangible, like the product's performance. On the other hand, they may be more symbolic, emotional or intangible, such as what the brand represents for the consumer (Kotler & Keller, 2006). A brand is not to be thought of as simply a product, since these two terms fundamentally contrast each other. Modern use of brands is more relevant to imprinting a representational image of a certain product or service into the mind of the consumer, using various branding strategies (Forristal & Lehto, 2009). Keller (2013) adopted a broad definition of the term product, as “something that is offered to a market for attention, acquisition, use or consumption to satisfy a need or a want” (p. 31). The American Marketing Association defines a brand as a “name, term, design, symbol or any other feature that identifies one seller’s good or services as distinct from those of other sellers” (The American Marketing Association, n.d.).

A product can thus be a physical good, a service, a person, an organization, a place and even an idea. Brands, however, serve as the manufacturer's identification of a particular product or service, but no less importantly do brands imply a promise to the consumer about certain characteristics, benefits or value that other comparable products do not possess (Kotler & Keller, 2006). A brand is therefore more than a mere product, since it retains dimensions that differentiate it in some way from other products, that should satisfy the same need (Keller, 2013). In that way, one can argue that the Icelandic horse has been but a mere commodity internationally until united marketing efforts were made that established him as a brand, in the right meaning of the word.

The practical value of brands is beyond question, as its purpose is to increase awareness and recognition from a prospective customer of the product or service in question and make it more desirable than otherwise (Johansson & Carlson, 2015). Over time, consumers learn about brands and find out which ones meets their needs and wants and which doesn't. The features used to identify the brand are called brand elements and consist for example of the brand name, logo, slogan and design. They can also be people, places and things that represent a certain product or service. These elements should serve to distinguish the product and together they form the brand identity. Marketers therefore have a number of options when it comes to the number and nature of branding elements that can be used to characterize the brand (Keller, 2013).

With the identification and differentiation provided by the brand, the likelihood of repurchase and customer loyalty increases (Campbell, 2002). Branding also makes it easier for consumers to make purchasing decisions since it reduces risk, simplifies decisions, and provides a way for consumers to express themselves (Johansson & Carlson, 2015). A well-known brand offers the opportunity to take advantage of the brand's awareness and positive image to enter new markets, thus reducing the risk for both consumers and organizations (Aaker & Keller, 1990).
4.1 Customer-Based Brand Equity

There is a general acceptance that a brand equity signifies the added value endowed by the brand to the product, whether it being from the perspective of the firm, the trade or the consumer (Farquhar, 1989). High brand equity bestows a firm with considerable competitive advantages. As a strong brand enjoys a high level of consumer brand awareness and loyalty, the firm incurs lower marketing costs relative to revenues. The firm furthermore gains bargaining power over retailers, as customers expects stores to carry the brand, along with being able to easily launch line or brand extension, making customers more acceptable of those extensions. Lastly, strong brands provide companies some defence against aggressive price rivalry (Kotler et al., 2005).

Johansson and Carlson (2015) proclaimed brand equity to come primarily from a high level of customer affection and loyalty, explaining it to be the “depth” of brand allegiance and the dollar value of the brand to be the “reach” of the brand, i.e. the monetization of the brand equity across markets. The two criteria of depth and reach can however also counter each other, as it is a constant managerial debate whether to spend promotion on existing core customers or attracting new ones.

The construct of brand equity has generally been approached from two main perspectives, the value the brand brings to the firm and the value of the brand to customers (Keller, 1993; Kim, Kim & An, 2003). The financial standpoint measures brand equity on the basis of financial market value of the firm and permits firms to take out the financial value of the brand from the total value of the firm, as in to be measured by the incremental cash flow from association to the brand in the firm’s balance sheet (Farquhar, 1989; Keller, 1993; Simon & Sullivan, 1993). Aaker (1996) pointed out the shortcomings of letting financial measures dominate brand objectives, as they tend to be short term and lack to provide motives for investment in brand building. Contrasting the economic view, a consumer-oriented approach determines how consumers respond to a brand, based on their brand knowledge (Keller, 1993).

Farquhar (1989) defined brand equity from an individual consumer’s perspective to be reflected by an increase in attitude strength towards the brand, describing attitude as the association between an object (the branded product) and the evaluation of that product, in an individual’s memory. He furthermore regarded three elements to be essential in building a strong brand with the consumer; a positive brand evaluation, an accessible brand attitude and a consistent brand image. Aaker (1991) introduced four dimensions of a consumer-based brand equity; brand awareness, brand associations, perceived quality and brand loyalty, which has been a frequent denominator in recent models on brand equity (Keller, 1993; Villarejo-Ramos & Sánchez-Franco, 2005; Yasin, Noor & Mohamad, 2007; Yoo & Donthu, 2001). He later defined The Brand Equity Ten model, consisting of ten sets of measures grouped into five categories. The first four represent customer perceptions or actions towards the brand along the four dimensions mentioned above while the fifth category
includes two sets of market behavior measures, representing market-based information rather than directly from customers (Aaker, 1996). See figure 3.

![Figure 3: The Brand Equity Ten model (Aaker, 1996)](image)

Keller (1993) defined customer-based brand equity as the differential effect of brand knowledge on consumer response to the marketing of the brand. From that perspective, brand knowledge is fundamental to create brand equity, as it establishes the differential effect that drives brand equity. Customer-based brand equity occurs when the consumer is aware of the brand and maintains some favorable associations towards it. The relevant dimensions that distinguish brand knowledge and therefor affect consumer responses are two; brand awareness and brand image (Keller, 1993), which will be discussed further later on. In context, Aaker’s dimensions of perceived quality and associations thus comprise Keller’s brand image concept. By looking at the literature, it can be derived that brand equity reflects consumer’s evaluations of a brand and must therefore obtain favorable evaluation and perception of consumers towards its characteristics (Hanaysha et al., 2013), for it to maintain a positive brand equity.

Succeeding Keller’s (1993) paper on dimensions of brand knowledge, Keller (2001) provided a conceptual framework with the customer-based brand equity (CBBE) model, which brings forth a perspective on what brand equity consists of and how it should be built, measured and managed. The true power of a brand lies in what customers have learned, felt, seen and heard about the brand over time, i.e. it resides in the minds of customers. By ensuring that customers have the right type of experience with the brand, generating the desired thoughts, feelings, images, beliefs, perceptions and opinions to become linked to the brand, marketers can build up a strong brand. The real value of a strong brand is its power to occupy consumer preference and loyalty (Kotler et al., 2005). The CBBE model constitutes four steps with six “brand building blocks” that can be assembled as a brand pyramid. Creating a significant brand equity entails reaching the pinnacle of the pyramid but will only occur if the appropriate brand-building blocks are correctly in place (Keller, 2001). In Keller’s later work, he renames the model as the Brand Resonance Pyramid, as the model is meant to describe how to create intense, active loyalty relationships with customers (Keller, 2013). The concepts of the pyramid will be further described in subsequent chapters. The brand pyramid and its building blocks are illustrated in figure 4.
4.1.1 Brand Awareness

The simplest form of brand equity is familiarity. Recognizing a brand gives consumers a feeling of confidence, thus increasing the likelihood of purchase (Deshpandé & Keinan, 2014). Brand awareness relates to consumers’ ability to identify and remember a brand as a part of a certain product category, thus consisting of brand recognition and brand recall. *Brand recognition* is defined as consumers’ ability to confirm previous exposure to a certain brand while *brand recall* refers to consumers’ ability to retrieve the brand when given a product category or some other cue, generated from memory (Keller, 1993). Aaker (1996) introduced six levels of awareness to measure, in addition to brand recognition and brand recall he included *top-of-mind* (the first-named brand in a recall task), *brand dominance* (the only brand recalled), *brand knowledge* (to know what the brand stands for) and *brand opinion* (to have opinion about the brand).

In Keller’s (2013) Brand Resonance Pyramid, the foundational building block of brand salience relates to the aspect of customer awareness, touching upon the brand identity. Salience influences the inception and strength of brand associations and increases the likelihood of a brand to be a member of the consideration set in consumer decision making. Certainly, the importance depends on the situation, as low involvement purchases only need a minimum level of brand awareness while high involvement purchases most often require more thorough knowledge of the brand. To be a part of the consideration set in important purchases, a brand needs to have prominence in the

![Brand Resonance Pyramid diagram](image-url)
consumer’s mind, a so-called top-of-mind position (Keller, 1993). A mere brand recognition is only a minimal level of brand awareness and generally only important on an impulse purchase or at the point of purchase. To have a dominant brand position provides a strong competitive advantage, as in many purchase situations it means that other brands would not even be considered (Aaker, 1991). Brand awareness incorporates more than just consumer recall and recognition, which can be referred to as the depth of brand awareness. Moreover, it requires linking the brand to desirable associations and making sure that customers comprehend the product category in which the brand competes, which alludes the breadth of brand awareness, i.e., the range of purchase situations in which the brand comes to mind (Keller, 2001).

The top-of-mind metric can prove useful when measuring brand awareness as it describes most recalled brand names in a given product category and gives a brand increased probability of purchase (Woodside & Wilson, 1985). Studies on the mere-ownership effect imply a physical possession may generate greater involvement and liking for a brand (Beggan, 1992; Hoorens, Nuttin, Herman, & Pavakanun, 1990; Kirmani, Sood & Bridges, 1999; Nuttin, 1987). Beggan (1992) illustrated the existence of this biased ownership effect, when an object is rated more favorably by an owner than a nonowner. From these studies, it can be derived that owners of a brand are more likely to react favorably towards the brand in question and in the same way, more likely to recall that brand more easily when prompted. In terms of horse breeds for example, one can assume that people are considerably more likely to mention the breed they currently or previously owned when asked about the first horse breed to come to mind. Awareness is thus an important first step in building a brand, but usually it is not sufficient as other considerations also come into play in most situations, such as the image of the brand (Keller, 2013).

4.1.2 Brand Image
In a way, image can be described as the symbolization of personality. Just as people, objects possess personalities which can critically influence their performance in the marketplace (Ogilvy, 1983, as cited in Farquhar, 1989). Gardner and Levy have been credited to be first to discourse on the topic of brand image in 1955, were they put forward the ideology of a product to not only maintain a physical nature, but also a social and psychological essence, owing to the fact that consumers’ feelings, ideas and attitudes towards a brand or a product influence their buying behavior (Dobni & Zinkhan, 1990). Barich and Kotler (1991) use the term to exemplify the sum of beliefs, attitudes and impressions that an individual or a group has of an object. Whether the impressions are real or imagined, true or false, they shape consumers behavior. Keller (1993) views brand image as a holistic concept formed of all associations related to the brand, i.e. perceptual beliefs about a brand’s attributes and benefits, along with attitudes towards it.

For all these different definitions who all convey the same meaning for the most part, it should be noted that the true attributes of the object are not included in the image concept. Since the image
is comprised of subjective perceptions of an individual, the objectively defined elements may or may not be in harmony with people’s image (Jaffe & Nebenzahl, 2001). As that being the case, it can be referred to as a consumer construct (Kapferer, 1992, as cited in Faircloth, Capella & Alford, 2001). Unconsciously or consciously, people form an opinion about other people, objects, services, firms, nations, countries and countless other entities. Interestingly, objects do not even have to exist in order for a person to have a mental image of it (Jaffe & Nebenzahl, 2001). Brand image has been found to have significant positive direct effect on brand equity and that brand image is subject to marketer’s manipulation through the marketing mix (Faircloth et al., 2001). Prior researches on the topic have reported that brands with high brand equity were more likely to have positive brand associations (i.e. brand image) than low equity brands (Krishnan, 1996) and that premium prices were related to brands with higher image ratings (Lassar, Mittal & Sharma, 1995). Faircloth et al. (2001) presented a brand image-brand equity model following their findings, which is portrayed in figure 5.

![Brand Image – Brand Equity Model (Faircloth et al., 2001)](image)

**Figure 5: Brand Image – Brand Equity Model (Faircloth et al., 2001)**

*Brand attitude* tends to get confused with brand image but is to be conceptualized as only one of the various associations which form the brand image (Faircloth et al., 2001). Attitude is to be defined as consumers’ overall evaluation of a brand and generally form the basis of brand choice (Keller, 1993), which is consistent with Faircloth et al. (2001) findings that positive brand attitude indirectly enhances brand equity, through brand image. Nevertheless, consumers evaluation of brand associations which lead to their buying choices may be dependent on context and therefor vary in accordance with consumers intentions in each purchase (Day, Shocker & Srivastava, 1979). Consumer perceptions of favorable associations reflect successful positioning of a brand, yet the importance of an attribute is a determining factor in the overall evaluation of consumers. Hence, a brand association needs to be valued by consumers to be relevant (Keller, 1993).

Barich and Kotler (1991) introduced a framework for image management. They argued that a firm has not only one, but many images such as *corporate image, product image and brand image*. They suggested the fourth image, the *marketing image* and defined it to be the way people view the quality of the company’s overall marketing offer and marketing mix. Image management aims to influence behavior in various target groups, first by measuring the attributes the image is made of separately, in order to possibly detect a particularly weak attribute. The process involves four phases; design, data collection, image gap analysis and image modification actions and tracking.
An image gap presents itself if the public does not relate too strongly to a brand attribute that the organization’s positioning is trying to portray.

In accordance with Keller’s (1993) argument that a brand association needs to be valued by the consumer, the relative importance rating of each image factor should be gathered in an image data collection, as a firm should strive to achieve a high image rating on an attribute that is distinctly important to applicable target group. The importance of attributes generally varies with publics and buying objectives. The same customer might value one factor highly in one situation but emphasize another attribute in a separate situation (Barich & Kotler, 1991). For instance, a mother of an enthusiastic young rider would value a horse’s calm and gentle disposition more than the discipline it was trained for when making purchase decisions about a horse for her child. When buying a horse for herself, the importance of the horse’s attributes would surely be different.

Even though image represents consumer’s conceptual beliefs and impressions, an organization needs to put effort in designing an identity and create a positioning to shape the public’s image. Other factors certainly intervene in the formation of each person’s resulting image but effective management can minimize negative impressions (Jaffe & Nebenzahl, 2001). A brand image is thus a concept that is not only dependent on consumers’ prejudices or experience with the brand but can be created and managed effectively to a great extent by the organization (Dobni & Zinkhan, 1990). For that reason, all marketing activities should be purposeful in order to encourage and contribute to the brand’s image, as consistency is vital in order to maintain a prosperous relationship between the consumer and the brand (Farquhar, 1989).

The second and third steps in Keller’s (2013) above mentioned Brand Resonance Pyramid are on the subject of brand meaning and brand responses, can be discussed in the context of brand image. Brand meaning involves determining what the brand should stand for in the minds of customers and the brand judgement depicts customers’ opinions and evaluations of the brand. The brand meaning step is made up of two categories of brand associations; brand performance, relating to functional, performance-related considerations versus brand imagery, the abstract cognitive-related considerations, that the firm wants to draw attention to. A number of brand meaning associations may become linked to a brand but those who are essential in building a customer-based brand equity need to be strong, favorable and unique. On the receiving end, where the brand judgement and brand feelings occur, these associations can either be formed directly, as in from customer’s own experiences, or indirectly, through comprehension of the brand from marketing activities or other source (e.g. word-of-mouth) (Keller, 2001).

Brand judgements are customers’ opinions and evaluation of the brand while brand feelings are customers’ emotional reactions towards the brand, i.e. responses driven either from the head or the heart. Four types of brand judgements are important, on the subjects of quality, credibility, consideration and superiority. The most important consumer attitude towards a brand relates to its
perceived quality and customer satisfaction (Keller, 2013). Satisfaction relies on a product’s perceived quality and performance in delivering value relative to buyer’s expectations. Falling short of the customer’s expectations creates disappointment while matching or exceeding the buyer’s expectations makes the customer satisfied or even thrilled (Kotler et al., 2005). Customer satisfaction is key to customer retention as highly satisfied customer would generally stay loyal longer, buys the company’s products, upgrades them, talks favorably about the brand and pays less attention to competing brands. (Kotler & Keller, 2006). Putting Keller’s (2013) Brand Resonance Pyramid in perspective, one can assume that Keller’s second step of brand meaning represents the firm’s positioning while the third step of brand judgements exemplifies the brand image. As customers start to view a brand as superior to others and even start to relate emotionally with it, a brand relationship starts to develop.

4.1.3 Brand Loyalty

Behind every powerful brand stands a set of loyal customers. Aaker (1991) illuminated the role of loyalty in the brand equity process. He proclaimed loyalty to be likely to yield trade leverage, reduce marketing cost and attract new intrigued customers, along with giving the firm time to respond to competitive threats. Also, consumer’s favorable word-of-mouth and greater resistance to competitive strategies are example of other loyalty-related marketing advantages (Dick & Basu, 1994). Therefore, loyalty is perhaps the strongest measure of brand equity. Thus, the fundamental asset underlying brand equity could be referred to as customer equity, defined as the customer relationships the brand creates and the value behind it (Kotler et al., 2005). The two terms, loyalty and customer relationships are key concepts in modern marketing and are closely related (Zinkham, 2001). The importance of building a group of loyal customers is based on the notion that generally it requires less expenditure to keep current customers than acquiring new ones (Kotler et al., 2005).

Loyalty can be defined as a commitment to re-buy or re-patronize a preferred product or service in the future despite situational influences and marketing efforts having the potential to cause switching behavior (Oliver, 1999). Loyalty is generally thought of consisting of two aspects; behavioral dimension and attitudinal dimension. Behavioral loyalty incorporates repeated purchases, which can lead to greater market share, while attitudinal loyalty includes positive attitude, leading to higher relative price for the brand (Chaudhuri & Holbrook, 2001). Loyal consumers are more likely to be willing to pay more for a brand because of their perception of some unique value that no alternative brand can provide, resulting in price premium. However, repeated purchases are not always driven by customer’s loyalty but can be generated more out of need, for example when a retailer only stocks a certain brand or the opportunity cost is too great when changing brands (Kotler et al., 2005). Dick and Basu (1994) proposed that brands who evoke positive affect among consumers should encourage both purchase and attitudinal commitment.
In that way, building brand equity is based on creating a relationship between the brand and the consumer. This process is referred to as *relationship marketing* and involves establishing, maintaining and enhancing value-laden relationship with customers. As the goal is to deliver value to consumers, it is oriented towards the long term. The measure of success is long-term customer satisfaction, resulting in strong customer loyalty (Kotler et al., 2005). The relationship must be analyzed, nurtured and reinforced in order to maximize the customer lifetime value. Managing the relationship between a brand and consumer is pivotal as it is the consistency of the brand-consumer relationship that counts (Farquhar, 1989).

Referring back to Keller’s (2013) Brand Resonance model, the final step is *brand resonance*, describing the ultimate relationship and the level of identification a customer has with a brand. Consistent with the literature on loyalty, Keller’s brand resonance is characterized in terms of *intensity* (depth of the psychological bond that customers have with the brand) as well as *activity* generated by the brand loyalty (breath of repeated purchases) (Keller, 2001). These two dimensions reflect the behavioral and attitudinal loyalty aspects. He furthermore breaks down the brand resonance into four categories; behavioral loyalty, attitudinal attachment, sense of community and active engagement.

The first category, *behavioral loyalty*, is self-explanatory and has been discussed earlier. It can be gauged in terms of repeated purchases and purchase volume attributed to the brand, as well as word-of-mouth endorsement (Keller, 2013). The lifetime value of behaviorally loyal owners of the Icelandic horse can be enormous, seeing as they do not only invest in the product itself but also in products and service connected to the Icelandic horse, as well as being highly likely to recommend the breed to friends and relatives. *Attitudinal attachment* makes sure that behavioral loyalty is not only out of necessity but driven by a deeper motivation. The brand should possess a special meaning in the minds of consumers and therefore, the brand has to provide them with something more than mere satisfaction (Fournier & Mick, 1999). In order to experience deeper connection with a brand however, satisfaction is prerequisite. Great satisfaction is therefore a good indication of attitudinal attachment, as well as attitude and duration of involvement with the brand (Keller, 2013).

The basic human need and social phenomenon of identifying oneself with others is expounded in the *sense of community* category. A brand community is an important aspect of brand resonance. By the same token, *active engagement* happens when customers are willing to invest time, energy, money or other resources in the brand beyond those spent during purchase or consumption (Keller, 2013). If customers are invested in the culture surrounding the Icelandic horse, for example to participate in competitions meant for Icelandic horses within FEIF or by taking advantage of educated professionals when it comes to training both horses and riders, they are more likely to generate profit into the industry which is vital for the breed to thrive and even expand in
competition with other horse breeds. Owner’s investment in the Icelandic horse heritage and culture, along with their perception of community behind the breed is thus of great significance in the marketing of the Icelandic horse.

### 4.1.3.1 Brand love

As previously noted, customer satisfaction is fundamental in creating loyalty towards a brand. High satisfaction can generate an emotional bond with the brand or company which goes way beyond rational preference (Kotler & Keller, 2006). Brands commonly present a way for self-expression among consumers and user experience with a brand can thus dramatically enhance consumer well-being (Johansson & Carlson, 2015). Invoking emotional appeals has long been practiced in advertising, or since the role of emotional processes in consumer behavior was acknowledged in the 1980s (Holbrook & O’Shaughnessy, 1984). Carroll & Ahuvia (2006) recognized that consumers tend to speak loosely when using the word love in relation to commercial products. While consumer’s “love-like” feelings towards brands may not be completely equivalent to the stronger forms of interpersonal love, most researchers have acceded to the presumption that some feelings can be noticeably more intense than a simple liking.

Around the turn of the century, findings suggested that simply satisfying consumers might not be adequate enough for success in the modern competitive marketplace (Chaudhuri & Holbrook, 2001; McAlexander, Schouten & Koenig, 2002; Oliver, 1999), so a new marketing construct emerged; **brand love** (Carroll & Ahuvia, 2006). One of the first to recognize that a brand can become intimate with consumers was Fournier (1998), who emphasized the importance of understanding consumer’s relationships with brands. Brand love can be defined as the degree of passionate emotional attachment a satisfied consumer has for a brand, i.e. a certain mode of satisfaction, yet different constructs. It is therefore a response experienced by some, but not all, satisfied consumers (Fournier & Mick, 1999). Brand love includes passion and attachment for the brand, positive evaluations and emotions to the brand and declarations of love for the brand (Carroll & Ahuvia, 2006). When deep human emotions are invested in a brand, a relationship is created that can turn into a long-term brand relationship (Zinkhan, 2001), which in turn will drive brand profitability, depending on various aspects of brand loyalty (Chaudhuri & Holbrook, 2001).

Hirschman and Holbrook (1982) found that hedonic products (i.e. products whose primary benefits are pleasure and enjoyment) tend to generate stronger emotional responses than utilitarian. Horses and related products would be considered hedonic in modern societies, which gives heed to the conclusion of equestrians being likely to form such a relationship towards a preferred breed of horses, as well as products and/or brands associated with it.
5 Methodology

In order to meet the objectives of the study both qualitative and quantitative approaches were employed. The presentation of the study falls into two sections; brand position examination and brand association measurements. Following a qualitative analysis of HOI’s positioning, an online questionnaire was used to measure the brand awareness, image and attitude towards the Icelandic horse among international horse owners. Furthermore, loyalty towards the Icelandic horse was measured among those participants that owned an Icelandic horse. Firstly, the process of the positioning analysis in terms of data collection and evaluation will be reviewed and justified. Secondly, the quantitative data collection will be reviewed and explained.

5.1 Positioning Analysis

To identify the positioning of the brand HOI, all available data considered relevant from HOI was examined and analyzed. As the project is a common effort to build a strong brand, representatives from both stakeholders and government contributed to the concept development. As previously stated, a brand’s positioning is what the organization wants consumers to experience when thinking about or using the brand. With its marketing plan, the firm determines what associations it wants to project with its marketing. However, an organization cannot know for sure if its positioning is adopted by consumers unless they have actually asked the consumers (Keller, 2013). Ideally, the brand’s positioning and its image should be parallel.

The available data used for the positioning analysis included a joint report by stakeholders and the government devised in 2015 to pinpoint the objectives of a necessary marketing project (Promote Iceland, 2015), brand building brochure, intended for professionals who conduct marketing of the Icelandic horse but not for public distribution (Horses of Iceland, 2016a), Horses of Iceland brochure, intended for public distribution and promotion (Horses of Iceland, 2016b), official website (Horses of Iceland, n.d.) and the brand’s most utilized social media platforms: Facebook and Instagram.

The above stated material was scrutinized carefully based on the overall appearance, visual aspect and content with regard to positioning and image literature. The characteristics of the text were examined, whether they were formal or informal, had a solemn or humorous attribute and if the text was engaging followers. The design of the promotion material and website, along with visual presentation of content on social media was observed and emphasized elements were noted. The factors that attracted the attention of the researcher (both positive and negative) were recorded and interpreted based on whether they supported or contradicted the positioning stated in the non-public marketing brochure.

The joint report revealed elements such as history, the breed’s purity, uniqueness, pony stamp and lack of international education material. The brand building brochure presents five pillars of
the brand; the riding horse, Iceland’s history and culture, adventure and company, proximity to nature and the Icelandic horse community. Elements noted there were variety, gaits, temperament, history and legacy, nature, freedom, authentic, power and adventure. The brochure meant for public distribution furthermore encourages aspects such as connection to Vikings and Iceland’s history, genetic singularity, variety, genuine, power, the breed’s size, gaits, adventure and community. The website greets you with spectacular video of the Icelandic horse, taken in an impressive Icelandic nature which ignites elements such as nature, power, adventure and history. The website is highly visual and offers a lot of content, like the section “Stories”, presumably to build a deeper bond with the brand. HOI’s Facebook and Instagram platforms are particularly active, promoting visual, humorous and engaging material with 1-2 days interval. HOI seems to get more engagement from their followers on Instagram than Facebook, even though reactions on both platforms are relatively high. The aspects noted there were mainly nature, knowledge, community and a new element that is mostly presented on social media; humor.

5.2 Quantitative Study
The second part of the study was on the subject of brand associations. A questionnaire was conducted which was meant to measure awareness, image and attitude towards the Icelandic horse. Furthermore, marketing content exposure and purchase probability was evaluated, along with satisfaction and loyalty among owners of the Icelandic horse.

5.2.1 Measurement
The results from the positioning analysis were used to formulate the image part of the quantitative questionnaire, in order to measure the brand image aspects that apply to the Icelandic horse. The survey consisted of 24 components, including background questions. Most items had fixed answer possibilities on a 5-point Likert scale while some were open questions. The questionnaire can be seen in Appendix B. The first item served as a filter to only include horse owners or those who had continual access to horses (e.g. lease or loan). Subsequently, awareness about the Icelandic horse was measured with three items, two open questions where participants expressed their top of mind horse breed, thereafter the second to mind and finally whether they had heard about the Icelandic horse. Respondents who claimed to have never heard of the Icelandic horse did not proceed to the rest of the questionnaire but were however a part of the awareness measurement.

Those who were aware of the Icelandic horse were asked about the first thing they think about in relation to the Icelandic horse with an open question to get a sense of the brand associations and if they were somehow different from the factors considered in the positioning analysis. The image evaluation component consisted of 16 statements, as one of the primary objectives of this study was to evaluate the correspondence between HOI’s positioning and the image of the Icelandic horse. Participants were asked how weakly or strongly they associated each statement with the
Icelandic horse on a 5-point Likert scale, with 5 indicating higher levels of agreement. Those statements were based on the factors that the positioning analysis revealed to determine HOI’s brand image. Seeing as importance of image factors vary greatly depending on target groups (Barich & Kotler, 1991) it was adjudged sufficient to measure the strength of the brand associations identified in the positioning analysis. Importance and preference of horse breed attributes vary significantly and is most often decided by the equestrian discipline. Since the objective was to study the general brand image of the Icelandic horse among equestrians, importance rating was considered extraneous.

The exposure of marketing content about the Icelandic horse was measured with one item with fixed response options, based on the most common promotional approaches. Probability of buying and attitude of international horse owners towards the Icelandic horse were assessed on a 5-point Likert scale where 5 indicated higher purchase probability and higher satisfaction. The last items were only intended for present and past owners of the Icelandic horse so those who did not belong to those groups got an extra question, asking about their most likely purpose if they were considering an Icelandic horse, with fixed answer possibilities. All Icelandic horse owners were asked about their satisfaction with their acquaintance with the breed with one item on a 5-point Likert scale.

Loyalty measurements were based on the ideology of both Keller’s (2013) Brand Resonance Pyramid and the loyalty dimension of Aaker’s (1996) Brand Equity Ten Model. A measurement was composed based on the general ideas of the two models, which were deemed relevant in the case of the Icelandic horse. The measurement consisted of 8 items, all with fixed response options on a 5-point Likert scale with 5 representing stronger agreement. Three of the items contributing to the loyalty evaluation were items also utilized in other measurements, the items being attitude, satisfaction and perception of community. The remaining five items were only used for loyalty measurement, concerning investment of owner’s interest, likability to recommend and choose an Icelandic horse over other breeds. Furthermore, owners were asked what horse breed they had owned besides the Icelandic horse from a predetermined list but with one open response option if needed. The primary purpose of their Icelandic horse was evaluated with closed response options, predetermined by the most common purposes for Icelandic horses. Getting a picture of how common it is to have other horse breeds together with the Icelandic horse is of great value, as well as to find out what the purpose of the Icelandic horse is among their owners and whether it differs from non-owner’s most likely purpose.

5.2.2 Data collection and participants
A convenience sample from a population of international horse owners was collected. The questionnaire was put up in English on the website questionpro.com and distributed on the social media platform Facebook. Seeing as 2.45 billion people are active users on the platform (Statista, 2019) it was
presupposed to be a viable option to reach a diverse group of horse owners. An alias account in English was brought in to play in order to try to eliminate the chances of bias when measuring awareness about the Icelandic horse. The survey was distributed with sponsored ads, the target audience being horse enthusiasts around the world. A deliberate decision was made to mainly target Europe and North America, with regards to expenses and seeing as most Icelandic horses are located in the western part of the world. Participants were not informed that HOI was behind the survey until it was done, where they could register their email for a chance to win a flight to Iceland and a day horse riding trip. It was believed that an incentive such as that would make a difference in response rate. However, the prize was not revealed until the end of the survey, just promoted in the introduction text as a “trip of a lifetime”, that you could win by participating.

The survey link was shared by a number of international people in different groups composed of horse enthusiasts and also seems to have reached quite few groups that evolve around the Icelandic horse, especially in Germany. Data was collected in a period of 10 days in the spring of 2019. The total number of valid responses was 2342. The vast majority of participants were female, 93.1% in total. That is in accordance with studies who have shown that women are more likely to participate in surveys than men (Curtin, Presser & Singer, 2000). The age structure among participants was fairly even and education level generally high, as 58.4% of the sample had finished either an undergraduate or graduate degree at university. Table 3 shows the sample’s distribution in terms of age, education and household income.

Table 3: Age, education level and average income distribution of the study’s sample

<table>
<thead>
<tr>
<th>Age</th>
<th>Education</th>
<th>Household average income</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 years or younger</td>
<td>12.1% Primary school</td>
<td>2.8% 2.000 EUR or lower 24.3%</td>
</tr>
<tr>
<td>21 - 25 years</td>
<td>11.7% Secondary school</td>
<td>18.3% 2.001 - 4.000 EUR 27.3%</td>
</tr>
<tr>
<td>26 - 35 years</td>
<td>13.6% Trade school</td>
<td>12.8% 4.001 - 6.000 EUR 22.7%</td>
</tr>
<tr>
<td>36 - 45 years</td>
<td>13.5% Undergraduate degree (B.A, BSc B.Ed or similar)</td>
<td>34.6% 6.001 - 8.000 EUR 11.4%</td>
</tr>
<tr>
<td>46 - 55 years</td>
<td>21.9% Graduate degree (MSc./Ph.D. or similar)</td>
<td>23.8% 8.001 EUR or more 14.2%</td>
</tr>
<tr>
<td>56 - 65 years</td>
<td>18.7% Other</td>
<td>7.8%</td>
</tr>
<tr>
<td>66 years or older</td>
<td>8.5%</td>
<td></td>
</tr>
</tbody>
</table>

Like table 4 demonstrates, the majority of participants lived in non-urban areas and considered their riding skills to be advanced. The largest part of the sample regarded themselves as enthusiasts within the equestrian sport, which can be described as a person whose hobby has become a passion and is highly interested in a particular activity.
Table 4: Position, skills and living area of participants

<table>
<thead>
<tr>
<th>Position in the sport</th>
<th>Riding skills</th>
<th>Living area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hobbyist</td>
<td>Beginner</td>
<td>Countryside</td>
</tr>
<tr>
<td>Enthusiast</td>
<td>Advanced</td>
<td>Suburb</td>
</tr>
<tr>
<td>Competitor</td>
<td>Expert</td>
<td>City</td>
</tr>
<tr>
<td>Professional</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Breeder</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>27.8%</td>
<td>14.5%</td>
</tr>
<tr>
<td></td>
<td>37.1%</td>
<td>68.9%</td>
</tr>
<tr>
<td></td>
<td>17.1%</td>
<td>16.6%</td>
</tr>
<tr>
<td></td>
<td>13.4%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.5%</td>
<td></td>
</tr>
</tbody>
</table>

As participants came from over 50 countries, the sample was divided into six categories based on their nationality and geographical location. Accordingly, the groups were decided by logically defined markets and to cater to the different participation ratio of each country. The partition of which countries belong to each market and its proportion of the total sample can be seen in table 5. The category Other is comprised of the countries that had few contributors from each country and did not fall into a befitting target market. North America made up the greatest portion of participants while Germany came closely after. The countries included in the category Europe were those who are either geographically located in Europe or members of the European Union, besides Germany, United Kingdom and the countries traditionally considered to be a part of the Nordic Countries. That category is moreover the most dispersed populated group, consisting of 29 countries.

Table 5: Market classification

<table>
<thead>
<tr>
<th>Markets</th>
<th>Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>28.8% United States of America and Canada</td>
</tr>
<tr>
<td>Germany</td>
<td>23.7% Germany</td>
</tr>
<tr>
<td>Scandinavia</td>
<td>16.3% Åland Islands, Denmark, Finland, Faroe Islands, Norway and Sweden</td>
</tr>
<tr>
<td></td>
<td>Albania, Austria, Bosnia and Herzegovina, Belgium, Bulgaria, Belarus,</td>
</tr>
<tr>
<td></td>
<td>Croatia, Czech Republic, Estonia, France, Greece, Hungary, Italy</td>
</tr>
<tr>
<td>Europe</td>
<td>14.0% Lithuania, Luxembourg, Latvia, Moldova, Montenegro, North Macedonia,</td>
</tr>
<tr>
<td></td>
<td>Netherlands, Portugal, Romania, Serbia, Slovenia, Slovakia, Spain,</td>
</tr>
<tr>
<td></td>
<td>Switzerland and Ukraine</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>15.0% United Kingdom of Great Britain and Northern Ireland, Ireland and</td>
</tr>
<tr>
<td></td>
<td>Isle of Man</td>
</tr>
<tr>
<td>Other</td>
<td>2.2% Australia, Chile, Egypt, Guatemala, India, Jersey, Japan, Maldives,</td>
</tr>
<tr>
<td></td>
<td>New Zealand, Russia, Turkey and South Africa</td>
</tr>
</tbody>
</table>

Categorizing the countries into defined markets makes all data processing more straightforward, as well making comparison between marketplaces more efficient. The justification for this division lies in the basis of segmentation, as the defined markets share numerous characteristics. The
Scandinavian or Nordic countries coincide well due to geographical proximity as well as cultural and lingual similarities. The same can be said about Americans and Canadians, that make up *North America*. Owing to the fact that Germans were such a large part of the sample it was deemed prudent to report findings for Germany seperately, along with the fact that the country makes up the biggest foreign market for the Icelandic horse. *United Kingdom* is comprised of the countries that make up the British Isles and turned out to be a fair share of the sample, hence forming its own market. As the nationality of the Europeans that participated was quite diverse and few from each country it was decided to combine those into one market, despite some cultural and climatic differences. Supplementary examination into this particular market category would doubtlessly be of benefit to the Icelandic horse community but will not be analyzed further in this study.

Table 6 shows that 41.9% of the sample were current owners of the Icelandic horse (including those who also have another breed) and 14.8% had some sort of access to ride an Icelandic horse, for example on lease or loan or at a riding instruction facility. Of current owners, 61.9% were from Germany. Non-owners were in total 42% of participants but could however check two options; that they had considered it and might want to acquire an Icelandic horse in the future or that they did not see themselves wanting to own one. In the researcher’s opinion it was deemed prudent to have a thorough definition of ownership, by presenting so many options since that could give an indication of future target groups.

<table>
<thead>
<tr>
<th>Ownership</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current owners</td>
<td>39.3%</td>
</tr>
<tr>
<td>Past owners</td>
<td>1.2%</td>
</tr>
<tr>
<td>Current owners plus another breed</td>
<td>2.6%</td>
</tr>
<tr>
<td>Have access</td>
<td>14.8%</td>
</tr>
<tr>
<td>Non-owners who might be interested</td>
<td>19.7%</td>
</tr>
<tr>
<td>Non-owners who are not interested</td>
<td>22.3%</td>
</tr>
<tr>
<td><strong>Total N</strong></td>
<td><strong>1293</strong></td>
</tr>
</tbody>
</table>
6 Results

The results of this study are presented in four sections. Firstly, the results from the qualitative positioning analysis is presented. The next section addresses the awareness of the Icelandic horse among horse owners. The third chapter focuses on the Icelandic horse’s image and attitude and whether its image is in compliance with HOI’s positioning while the fourth chapter concentrates on owner’s brand loyalty. The last chapter relates to marketing exposure and purchase probability.

6.1 Positioning Analysis

HOI’s positioning focuses on portraying the Icelandic horse as the natural riding horse, that he is the manifestation of Icelandic nature; unique, pure and genuine. In building the brand Horses of Iceland, the slogan “Brings you closer to nature” has been employed (Horses of Iceland, 2016a), seemingly to highlight the horse’s ability to “de-modernize” people in today’s high speed and tech environment. The brand’s value proposition thus appeals to all target groups even though his qualities are marketed differently towards different segments. Tourists visiting Iceland for example, get a different marketing approach than foreign owners of the Icelandic horse. HOI’s established target segments are foreign enthusiasts about the Icelandic horse who are either owners or are connected to the Icelandic horse in some way already, tourists visiting Iceland and international horse owners (Ohm, 2017).

6.1.1 Frame of reference

Horse riding is a popular recreational and leisure activity that offers multiple physical and psychosocial benefits (MacKinnon, Noh, Laliberte, Lariviere, & Allan, 1995). Existing evidence also point out that additional health and well-being benefits can come about when leisure activities involve natural environments, contact with nature or interaction with animals (Church, Taylor, Maxwell, Gibson & Twomey, 2010). As the target segment in this study consists of horse owners, the nature of competition gets a little narrower as the product category now only consists of other horse breeds. Other sports, leisure or outdoor activities can thus be excluded as competition when people have already established an interest in horses in general. However, the benefits of horse riding are of utmost importance when deciding to pursue the sport.

Figure 6 shows a summary of points of parity and points of difference in relation to international horse owners. HOI positioning shares many elements with its competition, i.e. other horse breeds, in this particular frame of reference. Horseback riding is considered a form of recreational activity or sport, which people can choose from in their leisure time. Animal interaction is another point of parity, as people can feel they experience the same benefit of interacting with cats or dogs for example, as with a horse. Equally, equestrianism is an outdoor activity though that can depend on circumstances and riding discipline. Dressage for example, is usually ridden within an indoor or
outdoor arena while trail riding is about riding through nature trails. Iceland has the unique luxury of considerable freedom when trail riding in natural surroundings while it is usually much more limited in foreign countries. At the same time, Icelandic riding culture puts emphasis on being united with your mount in unspoiled nature, the same nature that has shaped the Icelandic horse’s character and made him the way he is; bold, affectionate and coolheaded yet full of spirit. However, caring for horses normally involve outdoor physical work regardless of training discipline.

**Points of parity**

- Recreation
- Outdoor activity
- Animal interaction
- Being a “horse”

**Points of difference**

- 5 gaits
- Moderate size
- Natural and freedom
- Versatile
- Authentic and original

![Figure 6: Points of parity and points of difference](image)

The Icelandic horse furthermore shares “being a horse” with other horse breeds, in other words, he has the expected appearance, behavior and characteristics of a horse. Therefore, if one’s only objective was to acquire a horse, there would be plenty of options available. What horse breed fits one’s need then depends on the potential riding discipline, as different horse breeds have been bred to suit differing purposes. There, the points of difference become apparent and more significant.

Having said that, the Icelandic horse can be used for multiple purposes, as he is versatile and possesses gentle disposition. Moreover, the Icelandic horse shares three of its gaits with other horse breeds, having that as a point of parity while one of its principal points of difference is that he boasts two additional gaits; the tölt and pace. Their gait expertise is one of the features that are the most distinguishable and usually the feature that intrigues people to get to know the breed. Indeed, the Icelandic horse is generally smaller than most horses considered for an adult rider, yet they possess the power to travel with considerate weight over long distances, which is in sync with their original purpose and underpins their authenticity.

### 6.1.2 Horses of Iceland brand framework

Brand characteristics and brand framework were developed in collaboration with horse professionals at the start of the project. The positioning statement expresses that “the Icelandic
horse is a manifestation of Icelandic nature; unique, pure and genuine. The breed is charming but immensely powerful, spirited and versatile. Its role as the “indispensable servant” is not what it used to be but the Icelandic horse continues to play a significant part in our lives. The Icelandic horse opens up a magnificent world of adventure. As a riding horse, the Icelandic horse grants access to a community of people where friendship, good company and enjoyment of life are key. Furthermore, the Icelandic horse provides riders with an intimate link to nature. This new role is perfectly suited to the breed’s original characteristics and nature” (Horses of Iceland, 2016a, p. 7).

The pillars of the brand were defined in the beginning of the project, with the objective to form the basis of the stories that were to be told about the Icelandic horse. Figure 7 shows HOI’s brand pillars and features each pillar entails (Horses of Iceland, 2016a).

![Figure 7: Horses of Iceland brand pillars](image)

When looking at HOI’s brand pillars and how well they apply it is obvious that the work put in the basis of the brand shows effort and detailed perception of the Icelandic horse. However, in the researcher’s mind, some similarities cause the distinction between the brand pillars to be unclear. In order to effectively deliver Horses of Iceland brand vision, the elements desired to represent the brand image need to be well separated amidst the brand pillars and simplified for consumer recognition. The first pillar, The riding horse applies well but is rather general. It emphasizes how exceptional the Icelandic horse is with its five gaits, how he has been purebred since settlement and how versatile and gentle temperament he possesses. That pillar could in fact accommodate more attributes that are special to the Icelandic horse itself and its character, since it could be used to position the Icelandic horse differently between target groups. The pillar is vital in the HOI’s positioning but it also needs to take into account image factors that might not be considered positive, such as size, in order to conclusively support and justify the breed’s moderate size with its marketing. Until now, HOI’s existing marketing material has not touched upon the subject of the size of the Icelandic horse and the controversial debate that is inevitably an impediment for the breed, especially among owners of bigger horse breeds. Nonetheless, the material states the size of the Icelandic horse even though it does not draw attention to it.
The genetic distinctiveness, as in how purebred the breed is might presumably fit in better in the pillar of *Icelandic history and culture* instead of *The riding horse*, as the origin is explicit in the breed’s name. The second pillar is fundamental seeing as it gives the breed significance and value-charged meaning in consumer’s minds. How authentic and original the Icelandic horse is hand in hand with its purity, both genetic and disease wise. Furthermore, it takes advantage of positive associations with Iceland’s country branding in recent years which highlights the country’s purity and rough, yet natural beauty. That association of Iceland should be synonymous with the Icelandic horse, the nation’s most indispensable servant and one of the main heroes of the Icelandic sagas. This pillar only lacks showing the element of heritage more precisely.

The third pillar, *Adventure and good company* is relevant although its content is applicable to be integrated into the fourth and fifth pillar due to equivalence. Freedom, outdoor activity and life fulfillment coincide with the fourth pillar, *Proximity to nature* while quality time with friends and tale telling might belong better in the fifth pillar, *The Icelandic horse community*.

The pillar of *Proximity to nature* represent the intangible attributes that come with companionship of one’s Icelandic horse. It brings the feeling of freedom, peace and magic of nature, i.e. a unique outdoor activity. This is the reason why so many owners and admirers of the Icelandic horse find themselves in Iceland, the country of origin of their treasured companion, to experience the splendid force of nature that has shaped their horse’s characteristics through the ages. As expected, how much this intangible attribute can be perceived outside of Iceland, compellingly depends on circumstances. The attributes outdoor activity and life fulfillment were deemed to general to fit specially to the Icelandic horse, as it could apply to all horse breeds. The attributes of nature and mental well-being were considered to cover the sense of life fulfillment and outdoor vibe.

*The Icelandic horse community* pillar symbolizes how companionship with an Icelandic horse is a way of life. It is a community of passionate people where professionalism and knowledge characterize all activities concerning the Icelandic horse, with the addition of a one of a kind breeding database. The companionship with other enthusiasts about the breed, such as family and friends where tale telling is elevated, should belong in this particular pillar instead of *Adventure and good company*. Unfortunately, this pillar might prove to be difficult to validate in foreign markets, especially markets that are geographically challenging due to their size and density of support net in the form of access to instructors, education and people with shared interest. In these markets, the infrastructure is lacking and cannot keep up with HOI’s positioning, which can cause the consumers not experiencing that sense of community as much as consumers in more established markets, such as in Germany. Finally, the positioning analysis revealed 16 image factors to be relevant. They were *Heritage, Authentic, Power, Mental well-being, Versatile, Purebred, Nature, Temperament, Freedom, Adaptable, Gaits, Community, Ruggedness, Humor, Size and Knowledge*. 

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6.1.3 Suggested framework
Following the positioning analysis, it seemed more suitable to reduce the brand pillars to four instead of five. Figure 8 shows the suggested brand pillar framework for Horses of Iceland and the image attributes that should identify each pillar. The attributes are based on the 16 image factors the positioning analysis distinguished. The number of image factors within each pillar varies but The riding horse consists of most factors. By classifying the image attributes between the brand pillars it becomes more measurable and tangible to identify in all marketing material. In addition, the suggested framework is more defined than the original brand pillars, having distinguishable image factors distributed between pillars give an indication of each pillar’s significance in consumers perception of the HOI brand.

![Brand Pillars Diagram]

Figure 8: Suggested brand pillars for Horses of Iceland

6.2 Awareness
The top of mind results was in substantial favor to the Icelandic horse, as 39.9% of those who answered the question mentioned him as the first horse breed to come to mind. An association between the likelihood of mentioning the Icelandic horse as a top of mind and the ownership of an Icelandic horse was evident ($\chi^2(1, 1275) = 980.11; p < .001$), as exhibited in table 7. The high ratio can most likely be explained by the wide distribution the survey reached among owners of the Icelandic horse that probably got shared in Facebook groups consisting of the breed’s enthusiasts, especially in Germany.
Table 7: The proportion of each group that mentioned the Icelandic horse as the top of mind horse breed

<table>
<thead>
<tr>
<th>First to mind</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current owners</td>
<td>94.0%</td>
</tr>
<tr>
<td>Past owners</td>
<td>50.0%</td>
</tr>
<tr>
<td>Current owners plus another breed</td>
<td>88.2%</td>
</tr>
<tr>
<td>Have access</td>
<td>15.3%</td>
</tr>
<tr>
<td>Non-owners who might be interested</td>
<td>2.4%</td>
</tr>
<tr>
<td>Non-owners who are not interested</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total N</strong></td>
<td><strong>39.8%</strong></td>
</tr>
</tbody>
</table>

Furthermore, Pearson’s chi-squared test demonstrated a difference between markets when asked about the top of mind horse breed ($\chi^2(5, 1533) = 850.85, p<.001$) and in regards to the second to mind ($\chi^2(5, 1466) = 68.77, p<.001$), as can be seen in table 8. As most of the Germans who participated were owners of the Icelandic horse, the lion’s share of that market mentioned the Icelandic horse whilst really few in the United Kingdom and North America did. The ratio of Europeans, excluding Germany and the Scandinavian countries was also rather high which might suggest that a similar bias may have occurred with that group as with Germany, e.g. the distribution of the survey being prominent among many Icelandic horse owners. The second to mind ratio was however just a small fraction, where only 6.5% of the sample mentioned the Icelandic horse. The Scandinavian market seems to have the breed quite high in its consideration set, seeing as 18.2% mentioned him as second of mind which implies them being non-owners, which might be explained by a close proximity to the country of origin.

Table 8: The proportion of each market that mentioned the Icelandic horse as either the top of mind or second to mind horse breed

<table>
<thead>
<tr>
<th>Markets</th>
<th>First to mind</th>
<th>Second to mind</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>6.9%</td>
<td>3.8%</td>
<td>433</td>
</tr>
<tr>
<td>Germany</td>
<td>92.1%</td>
<td>5.3%</td>
<td>416</td>
</tr>
<tr>
<td>Scandinavia</td>
<td>35.4%</td>
<td>18.2%</td>
<td>246</td>
</tr>
<tr>
<td>Europe</td>
<td>59.9%</td>
<td>7.5%</td>
<td>167</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1.7%</td>
<td>1.7%</td>
<td>240</td>
</tr>
<tr>
<td>Other</td>
<td>19.4%</td>
<td>3.2%</td>
<td>31</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39.8%</strong></td>
<td><strong>6.5%</strong></td>
<td><strong>1533</strong></td>
</tr>
</tbody>
</table>
Despite the fact that a large proportion of the sample were owners of the Icelandic horse, he is unambiguously a known entity among international horse owners in the Western world, seeing as 97.4% of the whole sample stated that they had heard about the breed. Pearson’s chi-squared test revealed a difference in knowledge of the Icelandic horse existence between markets ($\chi^2(5, N=1563) = 36.03; p < 0.001$), though being minor. In Germany and Scandinavia, awareness was absolute, which comes as no surprise since the breed has as much as 30% market share in those countries. The awareness in the United Kingdom is almost on par with total value (97.2%) while it’s between 90-95% in North America, Europe and those participating countries that fell into the category of Other.

### 6.2.1 Brand associations

To identify the strongest unaided brand associations, participants were asked what comes first to mind when thinking about the Icelandic horse. The breed’s gaits were the most prominent feature people thought of, suggesting success in delivering the horse’s most noticeable differentiation via the brand’s positioning. However, the second prominent association was that the Icelandic horse is sturdy and somewhat rugged, which can conceivably be interpreted as both a negative and positive feature. As the Icelandic horse is exceptionally capable of enduring difficult conditions, the modern breeding goal strives to depict the Icelandic horse as an elegant and powerful animal. The controversial pony stamp or comments considering the horse’s size was the third most common feature to be mentioned. Most participants mentioned more than one feature, so the proportion in table 9 portrays how many of the participants mentioned a particular feature.
Table 9: Unaided brand associations with the Icelandic horse

<table>
<thead>
<tr>
<th>Associations</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gaits/Tölt/Pace</td>
<td>44.4%</td>
</tr>
<tr>
<td>Ruggedness/Hardy/Sturdy</td>
<td>14.8%</td>
</tr>
<tr>
<td>Size</td>
<td>11.0%</td>
</tr>
<tr>
<td>Temperament</td>
<td>10.2%</td>
</tr>
<tr>
<td>Hair/Coat/Colors</td>
<td>10.1%</td>
</tr>
<tr>
<td>Strong/Powerful</td>
<td>9.6%</td>
</tr>
<tr>
<td>Positive remarks (beautiful, amazing, unique)</td>
<td>9.1%</td>
</tr>
<tr>
<td>Iceland’s history</td>
<td>3.7%</td>
</tr>
<tr>
<td>Pony</td>
<td>3.2%</td>
</tr>
<tr>
<td>Nature</td>
<td>3.0%</td>
</tr>
<tr>
<td>Freedom</td>
<td>2.8%</td>
</tr>
<tr>
<td>Spirit</td>
<td>2.6%</td>
</tr>
<tr>
<td>Not relevant</td>
<td>2.4%</td>
</tr>
<tr>
<td>Negative remarks (fatty, chunky, sensitive)</td>
<td>1.9%</td>
</tr>
<tr>
<td>Versatility</td>
<td>1.2%</td>
</tr>
<tr>
<td>Fun</td>
<td>1.1%</td>
</tr>
<tr>
<td>My horse</td>
<td>0.9%</td>
</tr>
<tr>
<td>Authentic</td>
<td>0.8%</td>
</tr>
<tr>
<td>Health/Purity</td>
<td>0.7%</td>
</tr>
<tr>
<td>Sweet itch eczema</td>
<td>0.4%</td>
</tr>
<tr>
<td>Friendship</td>
<td>0.3%</td>
</tr>
<tr>
<td>Happiness</td>
<td>0.2%</td>
</tr>
<tr>
<td>Company</td>
<td>0.1%</td>
</tr>
<tr>
<td>Adaptability</td>
<td>0.1%</td>
</tr>
<tr>
<td><strong>Total N</strong></td>
<td><strong>1513</strong></td>
</tr>
</tbody>
</table>

6.3 Image

Overall, the mean was fairly high on most of the image factors, which suggests that people relate quite strongly to the highest respective 10 brand aspects. As the scales ranged from 1, being weak agreement, to 5 indicating strong agreement, the highest feature was regarding the Icelandic horse’s heritage (M=4.49) and to his authenticity (M=4.27), while the lowest elements related to the horse’s size (M=3.52) and the availability of instruction specific to the breed (M=3.42). Table 10 shows the descriptives of the 16 statements used to determine the brand image.
Table 10: The mean, standard deviation and N of the 16 image factors

<table>
<thead>
<tr>
<th>Factor</th>
<th>Brand pillar</th>
<th>Statement</th>
<th>Mean</th>
<th>St.Dev</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heritage</td>
<td>History and culture</td>
<td>The Icelandic horse’s heritage is an integral part of the history and culture of the Icelandic nation.</td>
<td>4.49</td>
<td>.820</td>
<td>1312</td>
</tr>
<tr>
<td>Authentic</td>
<td>History and culture</td>
<td>The Icelandic horse is genuine and authentic.</td>
<td>4.27</td>
<td>.864</td>
<td>1283</td>
</tr>
<tr>
<td>Power</td>
<td>The riding horse</td>
<td>The Icelandic horse is powerful and robust.</td>
<td>4.24</td>
<td>.896</td>
<td>1283</td>
</tr>
<tr>
<td>Well-being</td>
<td>Nature and adventure</td>
<td>It is good for one’s mental well-being to be around the Icelandic horse.</td>
<td>4.18</td>
<td>.949</td>
<td>1282</td>
</tr>
<tr>
<td>Versatile</td>
<td>The riding horse</td>
<td>The Icelandic horse is versatile and can be used for more than one discipline and/or for different purposes.</td>
<td>4.14</td>
<td>.955</td>
<td>1332</td>
</tr>
<tr>
<td>Pure breed</td>
<td>History and culture</td>
<td>The Icelandic horse is an example of a healthy and pure horse breed.</td>
<td>4.11</td>
<td>.893</td>
<td>1285</td>
</tr>
<tr>
<td>Nature</td>
<td>Nature and adventure</td>
<td>The Icelandic horse brings his rider closer to nature.</td>
<td>4.10</td>
<td>.965</td>
<td>1322</td>
</tr>
<tr>
<td>Temperament</td>
<td>The riding horse</td>
<td>The Icelandic horse has a gentle, self-assured and cooperative temperament.</td>
<td>4.09</td>
<td>.907</td>
<td>1324</td>
</tr>
<tr>
<td>Freedom</td>
<td>Nature and adventure</td>
<td>The Icelandic horse brings a feeling of freedom.</td>
<td>4.07</td>
<td>.973</td>
<td>1305</td>
</tr>
<tr>
<td>Adaptable</td>
<td>The riding horse</td>
<td>The Icelandic horse is highly adaptable and willing to please.</td>
<td>4.02</td>
<td>.869</td>
<td>1277</td>
</tr>
<tr>
<td>Gaits</td>
<td>The riding horse</td>
<td>The Icelandic horse’s gaits are elegant and natural to look at.</td>
<td>3.96</td>
<td>.996</td>
<td>1285</td>
</tr>
<tr>
<td>Community</td>
<td>Icelandic horse community</td>
<td>There is a vivid and enjoyable community behind the Icelandic horse.</td>
<td>3.91</td>
<td>.904</td>
<td>1288</td>
</tr>
<tr>
<td>Ruggedness</td>
<td>The riding horse</td>
<td>There is a rough and rugged aspect to the Icelandic horse.</td>
<td>3.83</td>
<td>.964</td>
<td>1279</td>
</tr>
<tr>
<td>Humor</td>
<td>Nature and adventure</td>
<td>There is a humorous attribute to the Icelandic horse.</td>
<td>3.60</td>
<td>.934</td>
<td>1282</td>
</tr>
<tr>
<td>Size</td>
<td>The riding horse</td>
<td>The size of the Icelandic horse is suitable for most riders.</td>
<td>3.52</td>
<td>1.027</td>
<td>1295</td>
</tr>
<tr>
<td>Knowledge</td>
<td>Icelandic horse community</td>
<td>It is easy to find knowledge and guidance about the Icelandic horse and its training in general.</td>
<td>3.42</td>
<td>.962</td>
<td>1288</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>.683</td>
<td>4.00</td>
<td>1221</td>
</tr>
</tbody>
</table>

Further analysis of the two lowest image factors unveiled differences between markets regarding Size and Knowledge. Size proved to have the highest variance in responses. Germany differs from North America and United Kingdom when it comes to judging the suitability of the Icelandic horse’s size ($F(5, 1287) = 6.41; p < .001$). The German market seems to feel the Icelandic
horse is capable of carrying most riders while his moderate size seems to detain him in North America and United Kingdom. By those results, it can be concluded that the pony-stamp is still renowned in those markets.

As the lowest mean of the brand image statements was on Knowledge, it can be assumed that there is a need for increased infrastructure around systematic education about the Icelandic horse in all foreign markets, even though there proved to be a difference in the perception of accessibility in Scandinavia and Germany compared to United Kingdom and North America ($F(5, 1281) = 19.57; p < .001$). Even in Germany, where one would think the infrastructure of the Icelandic horse community should be relatively strong compared to numbers, improvements can be made. It is interesting to observe that people in all markets are more agreeable to Size than to Knowledge, except the Scandinavian market which indicates that access to instructions about the Icelandic horse is more obtainable there. It goes without saying, in order to maintain the natural qualities of a horse, one requires expertise on its training to be able to enjoy those qualities for the long run.

Table 11: Mean, standard deviation and N of the two lowest image statements with respect to marketplaces

<table>
<thead>
<tr>
<th></th>
<th>Size</th>
<th></th>
<th>Knowledge</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>St.Dev.</td>
<td>N</td>
<td>Mean</td>
</tr>
<tr>
<td>North America</td>
<td>3.39</td>
<td>.964</td>
<td>348</td>
<td>3.20</td>
</tr>
<tr>
<td>Germany</td>
<td>3.75</td>
<td>1.042</td>
<td>370</td>
<td>3.62</td>
</tr>
<tr>
<td>Scandinavia</td>
<td>3.53</td>
<td>1.118</td>
<td>219</td>
<td>3.79</td>
</tr>
<tr>
<td>Europe</td>
<td>3.50</td>
<td>.946</td>
<td>138</td>
<td>3.33</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>3.34</td>
<td>.964</td>
<td>191</td>
<td>3.09</td>
</tr>
<tr>
<td>Other</td>
<td>3.48</td>
<td>1.087</td>
<td>27</td>
<td>3.12</td>
</tr>
<tr>
<td>Total</td>
<td>3.52</td>
<td>1.025</td>
<td>1293</td>
<td>3.42</td>
</tr>
</tbody>
</table>

6.3.1 Attitude

People generally seem to have a well-disposed attitude towards the Icelandic horse ($M=4.40$). It might not come as a surprise that Germany is the most affirmative market while North America and United Kingdom proved to have less favorable attitude of the Icelandic horse ($F(5, 1291) = 93.98; p < 0.001$). Interestingly, contrary to what one would think, people in the United Kingdom did not utilize the entire 5-point scale when responding, leaving out the responses Very negative and Negative. That might indicate indifference towards to Icelandic horse rather than a genuine dislike, which could be used to the brand’s advantage in the United Kingdom. Table 17 shows the disposition by markets and age.
Table 12: Mean, standard deviation and N of attitude by markets and age

<table>
<thead>
<tr>
<th>Markets</th>
<th>Mean</th>
<th>St.Dev</th>
<th>N</th>
<th>Age</th>
<th>Mean</th>
<th>St.Dev</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>4.09</td>
<td>.759</td>
<td>347</td>
<td>&lt; 20 years</td>
<td>4.42</td>
<td>.765</td>
<td>125</td>
</tr>
<tr>
<td>Germany</td>
<td>4.90</td>
<td>.329</td>
<td>371</td>
<td>21-25 years</td>
<td>4.55</td>
<td>.629</td>
<td>152</td>
</tr>
<tr>
<td>Scandinavia</td>
<td>4.42</td>
<td>.754</td>
<td>217</td>
<td>26-35 years</td>
<td>4.53</td>
<td>.663</td>
<td>180</td>
</tr>
<tr>
<td>Europe</td>
<td>4.62</td>
<td>.617</td>
<td>141</td>
<td>36-45 years</td>
<td>4.59</td>
<td>.644</td>
<td>175</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>3.87</td>
<td>.678</td>
<td>194</td>
<td>46-55 years</td>
<td>4.40</td>
<td>.757</td>
<td>278</td>
</tr>
<tr>
<td>Other</td>
<td>4.22</td>
<td>.751</td>
<td>27</td>
<td>56-65 years</td>
<td>4.22</td>
<td>.769</td>
<td>220</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>&gt; 66 years</td>
<td>4.05</td>
<td>.808</td>
<td>91</td>
</tr>
<tr>
<td>Total</td>
<td>4.40</td>
<td>.740</td>
<td>1297</td>
<td></td>
<td>4.41</td>
<td>.736</td>
<td>1221</td>
</tr>
</tbody>
</table>

Understandably, owners had extremely positive attitude towards the Icelandic horse compared to non-owners ($t(1290) = 28.66; p < .001$). Attitude turned out to vary by age as well ($F(6, 1214) = 9.99; p < 0.001$). Younger generations seem to be more positive towards the Icelandic horse while people 46 years and older have a less favorable attitude. The oldest age group, 66 years old and over, had the lowest yet still a positive attitude ($M=4.05$) while 36-45 years old people were the positivists of the lot ($M=4.54$), with the younger age groups following shortly behind. Moreover, a slight difference by riding skills was detected as experts ($M=4.63$) had more positive impression of the Icelandic horse than beginners ($M=4.26$) and advanced riders ($M=4.37$) ($F(2, 1217) = 13.77; p < 0.001$).

6.3.2 Image strength

The image statements were all phrased in a favorable manner, so the higher the mean for specific image factor, the more the sample agreed that the brand feature had a relation to the Icelandic horse. As this was the case and Cronbach’s alpha demonstrated very high internal consistency ($\alpha = 0.939$), the 16 image statements were merged into a single variable, creating a measurement of the image strength. With a higher total score, the stronger the image. The image strength of the sample was quite high ($M=4.07$) although the image of the Icelandic horse was stronger among those who mentioned him as a top of mind horse breed ($t(1204) = 9.08, p < .001$) and current owners ($F(5, 1181) = 21.327; p < .001$). However, non-owners who had considered the breed ($M=4.05$) possessed notably higher image strength then non-owners who declared not to be interested ($M=3.71$).
Image strength proved to vary between markets \((F(5, 1214) = 6.18; p < .001)\) but not in age, education nor income. Tukey’s HSD test exposed North America and United Kingdom to retain lower image strength than Germany and Scandinavia. Mean values of each market can be seen in table 12. Similar with the attitude results, experts \((M=4.20)\) proved to hold a greater image strength of the Icelandic horse \((F(2, 1128) = 4.14; p = .016)\) than beginners \((M=4.01)\) and advanced riders \((M=4.06)\)

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>St.Dev</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>3.98</td>
<td>.617</td>
<td>321</td>
</tr>
<tr>
<td>Germany</td>
<td>4.19</td>
<td>.906</td>
<td>355</td>
</tr>
<tr>
<td>Scandinavia</td>
<td>4.17</td>
<td>.682</td>
<td>205</td>
</tr>
<tr>
<td>Europe</td>
<td>4.07</td>
<td>.691</td>
<td>136</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>3.88</td>
<td>.545</td>
<td>178</td>
</tr>
<tr>
<td>Other</td>
<td>4.00</td>
<td>.913</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4.07</td>
<td>.736</td>
<td>1220</td>
</tr>
</tbody>
</table>

6.3.3 Conformity between positioning and image

The results give the impression that HOI’s positioning is essentially getting through to foreign horse owners, as the total image strength implies a positive image overall. Seeing as the two strongest image associations belong to the *History and culture* pillar, it becomes obvious the Icelandic horse’s image relies heavily on Icelandic heritage. Increased media coverage of Iceland as a tourist destination in recent years has in all likelihood made a definite impact on the country’s positive awareness and everything associated with it, cf. the “Icelandic” horse. A pleasantly surprising fact was the strong association on the factor *Versatile* which suggests that to be in line with HOI’s emphasis in its positioning. If people perceive the Icelandic horse to be versatile, the odds of considering the breed increases, regardless of the discipline the rider pursues. Moreover, *Power* proved to be a strong part of the image, which is also supported by the unaided brand associations results, but 9.6% of participants mentioned strong or powerful to be the first thing to come in mind when thinking about the Icelandic horse.

HOI’s value proposition of “bringing his rider closer to nature” had a decent mean \((M=4.10)\) even though it would be expected be higher, for the reason that it is the brand’s slogan and heavily presented in all its marketing. Therefore, one can assume an existing image gap regarding that image attribute, which is of great significance for the Horses of Iceland brand. That might be explained by the fact that non-owners of the Icelandic horse do not relate to that association as much as people who have already experienced the breed. T-test supported that assumption \((t(1247)\)
= 9.71; \( p < .001 \)), as current or past owners of the Icelandic horse (M=4.41) connect considerably more strongly to *Nature* than non-owners (M=3.89).

Even though *Gaits* turned out to have the highest unaided brand association to the Icelandic horse, which implies that to be the attribute he is most noticeable for, that image factor turned out to be one of the six lowest in the image measurement. People did not seem to agree too strongly with the Icelandic horse’s gaits being elegant and natural to look at, giving HOI a decent task to tackle. Gaited horses are rare in continental Europe while they are more common and fairly popular in North and South America, so this perception of the gaits not looking elegant and natural might prove more dominant in Europe. A viable reason for this image gap might also lie in innocent prejudgment, as one cannot appreciate something he does not know. The two contradictory dance styles for example, ballet and hip-hop usually attract opposite devotees. The same might be applicable with the Icelandic horse’s two additional gaits, tölt and pace. It takes one to know one, i.e. to appreciate the aesthetics of movement.

As expected, *Size* and *Knowledge* were the weakest image connections. The notable pony-stamp comes as no surprise, especially among the target segment of this study, due to comparison with other breeds. By not mentioning its moderate size at all in its marketing, the brand might be at risk to be considered as a case of contradiction. HOI would need to place further emphasis on drawing attention to the Icelandic horse’s physical ability with supportive evidence, such as with scientific research. Furthermore, a need to improve infrastructure in less penetrated markets is evident, in order to support accessibility to specialized knowledge about the Icelandic horse.

### 6.4 Loyalty

The loyalty measurement consisted of 8 items who had good internal consistency (\( \alpha = 0.729 \)). Additionally, involvement duration and other horse breeds currently or previously owned was measured as well. Table 13 shows the 8 items. Even though owners of Icelandic horses were relatively open to other breeds, they seem to be more likely to pick an Icelandic horse over other breeds, as well as highly likely to recommend their four-legged and furry companions. Owners of Icelandic horses seem to perceive the community as more vivid and enjoyable than non-owners (\( r(1247) = 4.66; \ p < .001 \)), which comes as no surprise seeing as presumably, non-owners do not have experience with it. Promoting that aspect to a greater extent in marketing would prove valuable from a competitive point of view.
Table 14: The mean, standard deviation, N and ratio of loyalty measurements

<table>
<thead>
<tr>
<th>Brand loyalty</th>
<th>Mean</th>
<th>St.Dev</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude</td>
<td>4.90</td>
<td>.336</td>
<td>557</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>4.62</td>
<td>.799</td>
<td>547</td>
</tr>
<tr>
<td>Likely to recommend</td>
<td>4.55</td>
<td>.661</td>
<td>528</td>
</tr>
<tr>
<td>Choose Icelandic horse over other breeds</td>
<td>4.54</td>
<td>1.010</td>
<td>499</td>
</tr>
<tr>
<td>Investment in interest of the Icelandic horse</td>
<td>4.43</td>
<td>.785</td>
<td>529</td>
</tr>
<tr>
<td>Invested in the culture surrounding the Icelandic horse</td>
<td>4.34</td>
<td>.891</td>
<td>525</td>
</tr>
<tr>
<td>Open to other breeds (reversed mean)</td>
<td>4.15</td>
<td>1.223</td>
<td>514</td>
</tr>
<tr>
<td>Perceive an enjoyable community behind the Icelandic horse</td>
<td>4.05</td>
<td>.953</td>
<td>542</td>
</tr>
<tr>
<td><strong>Total loyalty strength (α = 0.729)</strong></td>
<td><strong>4.45</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The overall satisfaction with the Icelandic horse was appreciably high among owners, regardless of markets or background variables. Even though the difference between markets was insignificant, owners in the United Kingdom were the most satisfied owners (M=4.83), which is interesting compared to previous results who showed the United Kingdom to possess the weakest image strength and attitude towards the Icelandic horse. The total loyalty strength turned out to be 4.45, implying strong customer loyalty towards the breed.

The two additional loyalty items underpin the total loyalty results. As customers should in fact go beyond having merely positive attitude towards the brand, to the point of creating a relationship with the brand, the measurement of involvement duration reveals that the breed is clearly something special in a broader context as 93.2% of owners had been involved with Icelandic horses for over 5 years. Furthermore, by looking at what other horse breeds owners currently or previously owned, can suggest the most prominent competitive breed of horses and possibly from which breeds riders are most likely to convert from. Like table 14 expresses, it appears that many international owners of the Icelandic horse started their horsemanship with Icelandic horses, seeing as more than half has not owned another horse breed. That demonstrates an importance in getting the Icelandic horse noticeable towards potential horse buyers that have yet to decide their direction of riding, such as Johnny-come-lately horse enthusiasts and young children starting their riding. It is apparent that the low ratio of having had other horse breeds suggests that the conversion rate from other breeds to the Icelandic horse is rather scant. Warmblood horses made up the biggest group of horse types that owners of the Icelandic horse had owned, with cobs and miniature breeds thereafter. Further breakdown of which horse breeds belong to each category can be seen in table 14.
Table 15: Horse breeds that owners of the Icelandic horse currently or previously owned

<table>
<thead>
<tr>
<th>Categories</th>
<th>Examples of horse breeds</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has not owned another horse breed</td>
<td></td>
<td>58.2%</td>
</tr>
<tr>
<td>Warmbloods / Sport horses</td>
<td>Hanoverian, Holsteiner, Oldenburg, Westphalien and others</td>
<td>14.7%</td>
</tr>
<tr>
<td>Cobs</td>
<td>Haflinger, Gypsy cob, Irish cob and Welsh cob</td>
<td>9.9%</td>
</tr>
<tr>
<td>Miniature breeds</td>
<td>Shetland</td>
<td>9.1%</td>
</tr>
<tr>
<td>Hot blood horses</td>
<td>Arabian and Thoroughbred</td>
<td>7.9%</td>
</tr>
<tr>
<td>American bred horses</td>
<td>American Quarter Horse, Morgan and Appaloosa</td>
<td>6.1%</td>
</tr>
<tr>
<td>Gaited breeds</td>
<td>American Saddlebred, Paso Fino, Rocky Mountain and Tennessee Walker</td>
<td>4.1%</td>
</tr>
<tr>
<td>Baroque breeds</td>
<td>Andalusian, Friesian and Lipizzan</td>
<td>4.1%</td>
</tr>
<tr>
<td>Draft breeds</td>
<td>Norwegian Fjord, Clydesdale and Irish Draught horse</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

N: 558

Declaring one’s love for a brand suggests passionate emotional attachment which generates loyalty (Carroll & Ahuvia, 2006). Quite a few of the survey’s participants referred to the word “love”, in the open question of brand associations (see chapter 5.2.1). Positive associations declaring love were for instance: “I love everything about this breed”, “I love them, “My Love” and “My big love”. One obviously loyal owner expressed his opinion in a compelling and affectionate way: “It’s an absolutely wonderful and amazing breed that combines all the aspects I love about horses: beauty, robustness, intelligence and important to mention their fantastic five gaits”.

6.5 Other results

This study’s main objective was to distinguish the consistency of HOI’s positioning and image. While doing so, further measurements were employed to provide support and gain supplemental insights.

6.5.1 Marketing content exposure

Table 15 shows the breakdown of how much each market had been exposed to marketing content about the Icelandic horse in the last three years. More than half (51.9%) of the sample had come in contact with some sort of marketing about the Icelandic horse. The biggest exposure was in Germany and Scandinavia while North America and United Kingdom made up the majority of those who had not seen any marketing about the Icelandic horse ($\chi^2(10) = 342.94; p < 0.001$). That is in line with HOI’s emphasis in its marketing plan, since they have been targeting Germany and the Nordic countries the most with its marketing up until now.
People come across marketing content about the Icelandic horse mostly on social media and at horse exhibitions, as can be seen in table 16. These are the forums that HOI has in fact been mostly making use of in its marketing campaign for the last three years, so that seems to be an effective way to reach this particular target group. A visit to Iceland also proved to be a common way to encounter content about the Icelandic horse. Last, there does not seem to be a lot of material that promotes the Icelandic horse on television.

### Table 16: Total marketing exposure and breakdown of each market

<table>
<thead>
<tr>
<th>Market</th>
<th>Yes (%)</th>
<th>No (%)</th>
<th>Don’t know (%)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>30.8%</td>
<td>61.9%</td>
<td>7.3%</td>
<td>354</td>
</tr>
<tr>
<td>Germany</td>
<td>77.2%</td>
<td>11.7%</td>
<td>11.1%</td>
<td>377</td>
</tr>
<tr>
<td>Scandinavia</td>
<td>66.7%</td>
<td>22.8%</td>
<td>10.5%</td>
<td>219</td>
</tr>
<tr>
<td>Europe</td>
<td>61.8%</td>
<td>29.9%</td>
<td>8.3%</td>
<td>144</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>17.3%</td>
<td>75.5%</td>
<td>7.1%</td>
<td>196</td>
</tr>
<tr>
<td>Other</td>
<td>55.6%</td>
<td>40.7%</td>
<td>3.7%</td>
<td>27</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>51.9%</strong></td>
<td><strong>39.1%</strong></td>
<td><strong>9.0%</strong></td>
<td><strong>1317</strong></td>
</tr>
</tbody>
</table>

### Table 17: The proportion on which platforms participants were exposed to marketing content

<table>
<thead>
<tr>
<th>Platform</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online promotional advertisement (f.ex. sponsored ads on Facebook and Instagram)</td>
<td>32.1%</td>
</tr>
<tr>
<td>Horse shows and/or exhibitions</td>
<td>30.3%</td>
</tr>
<tr>
<td>Discussions on social media platforms (f.ex. in groups on Facebook)</td>
<td>27.5%</td>
</tr>
<tr>
<td>Friend’s or family’s social media</td>
<td>27.4%</td>
</tr>
<tr>
<td>Visit to Iceland</td>
<td>22.2%</td>
</tr>
<tr>
<td>Promotional advertisement in newspapers or magazines</td>
<td>19.4%</td>
</tr>
<tr>
<td>On the television</td>
<td>6.8%</td>
</tr>
</tbody>
</table>

#### 6.5.2 Purchase probability

The whole sample’s purchase probability was moderate (M=3.38, St.Dev.=1.586, N=1301), even though it were considerably less than the total image strength and attitude. As expected, purchase probability was significantly higher with current owners (M=4.84/4.65) than past (M=3.69) or non-owners (M=2.82/M=1.64) \( (F(5, 1285) = 530.33; p < 0.001) \). Correlation between image strength and purchase probability was evident \( (r(1192) = .311, p < .001) \), being positive but not particularly strong. However, there was a negative correlation between age and purchase probability \( (r,(1220) = -.189, p < .001) \), indicating that younger people are more likely to buy an Icelandic horse.
Needless to say, the reasons behind every purchase are numerous and countless variables come into play although these results present indications about feasible target groups.

In accordance to different perspectives between markets towards the Icelandic horse, the prospect of buying followed the same principle ($F(5, 1293) = 193.93, p < .001$) as previous results. Germany measured with the significantly highest purchase probability ($M=4.81$) while United Kingdom ($M=2.15$), Other ($M=2.37$) and North America ($M=2.49$) were the lowest. Interestingly, Europe ($M=3.92$) had a higher mean than Scandinavia ($M=3.24$), which could be explained by how many in Scandinavia have access to an Icelandic horse but are not owners and therefore do not consider themselves to be likely to purchase an Icelandic.

When looking at the correlation of purchasing probability and brand image features, 7 brand elements turned out to have quite strong relations (above $r=.300$) to a likelihood of buying an Icelandic horse while only one turned out to have negative correlation. Table 18 shows the correlations of all the brand features, the 7 most positive marked in green and the one negative marked in red and what brand pillars those brand attributes belong to.

<table>
<thead>
<tr>
<th>Brand feature</th>
<th>Brand pillar</th>
<th>r</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gaits</td>
<td>The Riding Horse</td>
<td>.396</td>
</tr>
<tr>
<td>Mental Well-being</td>
<td>Nature and Adventure</td>
<td>.375</td>
</tr>
<tr>
<td>Nature</td>
<td>Nature and Adventure</td>
<td>.358</td>
</tr>
<tr>
<td>Freedom</td>
<td>Nature and Adventure</td>
<td>.358</td>
</tr>
<tr>
<td>Size</td>
<td>The Riding Horse</td>
<td>.326</td>
</tr>
<tr>
<td>Versatile</td>
<td>The Riding Horse</td>
<td>.325</td>
</tr>
<tr>
<td>Power</td>
<td>The Riding Horse</td>
<td>.301</td>
</tr>
<tr>
<td>Temperament</td>
<td>The Riding Horse</td>
<td>.294</td>
</tr>
<tr>
<td>Adaptable</td>
<td>The Riding Horse</td>
<td>.293</td>
</tr>
<tr>
<td>Authentic</td>
<td>Icelandic History and Culture</td>
<td>.264</td>
</tr>
<tr>
<td>Knowledge</td>
<td>Icelandic Horse Community</td>
<td>.255</td>
</tr>
<tr>
<td>Community</td>
<td>Icelandic Horse Community</td>
<td>.232</td>
</tr>
<tr>
<td>Pure breed</td>
<td>Icelandic History and Culture</td>
<td>.215</td>
</tr>
<tr>
<td>Humor</td>
<td>Nature and Adventure</td>
<td>.202</td>
</tr>
<tr>
<td>Heritage</td>
<td>Icelandic History and Culture</td>
<td>.134</td>
</tr>
<tr>
<td>Ruggedness</td>
<td>The Riding Horse</td>
<td>-.074</td>
</tr>
</tbody>
</table>

Those who agreed the most with the top 7 brand image statements were the ones who were most likely to purchase. Simply put, it indicates that those particular top brand features are of paramount for probable buyers. Gaits proved to have the strongest positive relation to purchase probability,
indicating that those who are the most likely to buy are the ones who feel the gaits are elegant and natural too look at, followed by Mental well-being and Nature. The most probable buyers therefore associated the Icelandic horse to enhancing one’s mental well-being and bringing one closer to nature. The brand feature Ruggedness was found to have a slightly negative, yet significant correlation, which suggests that the most probable buyers do not perceive the Icelandic horse to be rugged and the ones that do perceive him so, are the least likely to buy.

### 6.5.3 Primary purpose vs. potential purpose

Generally, intended purpose of customary products is pretty explicit. However, some brands and products exist within a world where experience or knowledge is required to evaluate options. Horses as products are subject to multiple purposes and the reasons behind every person equestrian participation can be manifold. For people not involved in equestrian activities a horse might just be a horse, regardless of size and shape. When touching upon the field of horses, a whole world awaits to get entangled in. Such is also the case within the equestrian world, there are a lot of corridors and corners where you have not ventured into and therefore do not know anything about. In order to evaluate whether non-owners had a different view of the usability of the Icelandic horse compared to owners, both groups were presented with few purposes that the Icelandic horse and horses in general are known to have. Table 19 shows the most common purposes among owners and non-owners that was measured with closed response options.

Table 19: Comparison of primary purpose and potential purpose

<table>
<thead>
<tr>
<th>Primary purpose among owners</th>
<th>Ratio</th>
<th>Potential purpose among non-owners</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trail/riding horse</td>
<td>59.7%</td>
<td>Trail/riding horse</td>
<td>77.6%</td>
</tr>
<tr>
<td>Competition horse (within FEIF)</td>
<td>59.0%</td>
<td>Therapeutic purposes</td>
<td>22.8%</td>
</tr>
<tr>
<td>Breeding horse</td>
<td>29.2%</td>
<td>Children’s horse</td>
<td>21.7%</td>
</tr>
<tr>
<td>Dressage</td>
<td>18.5%</td>
<td>Endurance</td>
<td>16.1%</td>
</tr>
<tr>
<td>Children’s horse</td>
<td>16.3%</td>
<td>Dressage</td>
<td>14.0%</td>
</tr>
<tr>
<td>Therapeutic purposes</td>
<td>10.2%</td>
<td>Competition horse (within FEIF)</td>
<td>13.0%</td>
</tr>
<tr>
<td>Endurance</td>
<td>5.2%</td>
<td>Jumping</td>
<td>7.6%</td>
</tr>
<tr>
<td>Jumping</td>
<td>3.0%</td>
<td>Breeding horse</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

The majority of non-owners regarded the Icelandic horse’s most potential purpose, if they ever were to buy one, to be a general riding horse, meaning that he would be used primarily for trail and leisure rides. The second most common potential purpose would be as a therapeutic approach and the third as a children’s horse. When compared to owner’s primary purpose one can see that owners
of the Icelandic horse evidently use their four-legged companions largely for trail riding, but no less as a competition horse within FEIF, which represents competition disciplines based on the qualities of the Icelandic horse. Only 13.0% of non-owners considered their potential purpose to be a competition horse, which suggests that the Icelandic horse may have the presumption of being a trail and children’s horse first and foremost among non-owners. Likewise, while 29.2% of owners of the Icelandic horse breed them, that option was the last potential purpose of non-owners.
7 Discussion

The main objectives of the study were to shed a light on the Icelandic horse’s customer-based brand equity among international equestrians by assessing (1) how they perceive the Icelandic horse and (2) whether its image is in accordance with HOI’s positioning. The outcome of the study can also be used to identify whether owners of other horse breeds could perchance be converted into potential customers. According to the literature, consumer-oriented brand equity approach consists largely of the three dimensions introduced in this paper; brand awareness, brand image and brand loyalty (Aaker, 1991; 1996; Farquhar, 1989; Keller, 1993; 2001; Villarejo-Ramos & Sánchez-Franco, 2005; Yasin et al., 2007; Yoo & Donthu, 2001). Unifying marketing efforts of the Icelandic horse under one managerial entity, the Horses of Iceland, has doubtlessly improved the odds for success and awareness in the international equestrian sector and will continue to do so, seeing as effective positioning of a brand can influence consumer responses to a great extent (Kotler et al., 2005).

In order to influence perceptions, awareness needs to exist. The results show that the Icelandic horse meets the minimum requirements of possessing brand equity as awareness is strong. Seeing as favorable brand attitude indirectly enhances brand equity through brand image (Faircloth et al., 2001), the Icelandic horse’s customer-based brand equity seems favorable. Because a small group of highly enthusiastic and advocating individuals can encourage advancement in the local environment, keen interest can prove infectious in the near community, resulting in family, friends or neighbors getting involved with the breed.

The image of the Icelandic horse appears to be in agreement with the Horses of Iceland’s positioning as it seems to be getting through to consumers for the most part, especially the elements of the first two brand pillars, The riding horse and Icelandic history and culture. Mostly exploiting the positioning by attribute approach, HOI is emphasizing both the tangible and intangible attributes of the Icelandic horse. As the tangible product or brand attributes are usually the ones that form the basic brand knowledge among consumers, it comes as no surprise that the intangibles are less recognized except by current customers (Keller, 2001), as seems to be the case here. The last two brand pillars, Nature and adventure and Icelandic horse community present mostly intangible benefits and are therefore more inclined towards customers, like the results showed. In that way, HOI’s value proposition of “bringing you closer to nature” might be appealing more to existing customers instead of serving the purpose of attracting new ones. Nevertheless, the Nature and adventure brand pillar is evidentially of the essence for probable buyers, as the brand attributes of Mental well-being, Nature and Freedom had the strongest relation to purchase probability, apart
from gaits, supporting the assumption in the literature that intangible attributes are often the most crucial for customers (Rago, 1989).

Even though equestrian’s appreciation of the aesthetics of the Icelandic horse’s gaits appears to be lacking, the gaits are of paramount importance for probable buyers. Presumably, increased familiarity and exposure may be the only solution, which points to the need for continuous promotion of the gaits of the Icelandic horse in particular. Additionally, the Icelandic horse is perceived as a powerful animal though its size is not strongly perceived as suitable for most riders. HOI would need to bring those two elements together with supportive evidence in the effort of eliminating or at least minimizing the existing pony-stamp.

In the researcher’s mind, Horses of Iceland positioning framework needs to highlight further the value of specialized knowledge and training when it comes to the Icelandic horse and therefore the importance of joining the breed’s society in one’s country when purchasing an Icelandic horse. One can imagine consumers’ disappointment when their Icelandic horse does not retain its qualities over time, due to the owner’s lack of knowledge and/or access to instruction. When defining a living creature as a product, even a brand with certain promises, it becomes important that its positioning draws attention to the importance of continuous training, i.e. customer service. Complications like this need to be addressed somehow in the branding process but not swept under the rug. It is possible that increased attention to the gaits of the Icelandic horse, as mentioned above, can be accompanied by information on the training and continuous improvement of the gaits that is achieved through training. Consumers in less dense markets are bound to find themselves in the position of only associating the first or the first two brand pillars to the Icelandic horse, as they miss out on the intangibles of the last two pillars, which are vital in the overall impression of the breed. Providing a thorough international network that provides information about resources in each country, aimed at getting people more involved in the Icelandic Horse community through promoting society membership in collaboration with each country’s association, would strengthen the Horses of Iceland brand and sense of community.

Even though being the mostly utilized marketing tool, promotion is not the only way to influence the demand for a product. The two remaining Ps, price and place are no less important (Kotler et al., 2005). As previously stated, there is no list price for an Icelandic horse. Certainly, there are acknowledged price benchmarks but in the end the price is dependent on the buyer’s and seller’s perception of the value. If the perception is fairly harmonious, a sale will take place. In some markets, the Icelandic horse is considered expensive for a mere trail riding horse while in other markets, the Icelandic horses are much cheaper competition horses than in other riding disciplines. In this case, HOI does not control the pricing and has therefore little to do with that part of the bargain. However, HOI could develop or contribute in the development of some kind of
process where the buyer’s opportunity cost is limited in order to be assured of a positive customer experience when purchasing an Icelandic horse.

The results contrast prior presumptions that the Icelandic horse has a weak image in the United Kingdom, as the breed holds a relatively strong image the United Kingdom. Even though the image strength measured the lowest in the United Kingdom of the markets, it cannot be considered weak. Likewise, the results suggest more of an indifference towards the breed rather than dislike among Brits. Presumably, traces of the bad reputation that the exported mine horses created still seem to prevail, along with a conservative equestrian culture. However, British owners were the most satisfied with their experience with the Icelandic horse. Due to geographical proximity to established infrastructure, similar climate and vegetation and satisfaction of current owners, the United Kingdom presents a viable market for HOI to target in the near future. Even though France was not analyzed specifically, that market might prove to be quite similar to the British regarding conservation in the equestrian sector while its image is presumably stronger than in the United Kingdom. All things considered, Great Britain and France present ideal markets to invest marketing resources in the near future.

North America is likewise a feasible market for expansion, especially in light of the popularity of gaited breeds. Before charging into that market with marketing resources however, investments need to be done in the breed’s societies for newcomers to be able to get the support and education they need to fully appreciate and maintain their Icelandic horse’s qualities. Long distances and lack of professional Icelandic horse trainers and instructors are the main reasons for North America to be a market that needs more development and preparation before promoting the breed further there. The inconvenience to buy and import may be a big reason why other gaited breeds are preferred there, seeing as they are readily available and more noticeable than the Icelandic horse. A support program led by Horses of Iceland, that would perhaps assist in constructing an infrastructure in the country’s association and provide qualified trainers and instructors seasonally, could endorse the accessibility to the breed and services around it.

Overall, the brand Horses of Iceland could employ more of the marketing mix in their marketing and be more inclined towards the long-term gain. Evolving processes that contribute to a more transparent and coherent procedures around business with the Icelandic horse is long overdue and Horses of Iceland might just be the right entity to develop and implement such procedures. An importance must be placed on the fact that the most successful brands are not necessarily the ones who are the most prominent, but the ones who generate a deep connection with their customers. In that way, brands can become successful when thinking more of retaining their customer base’s satisfaction rather than of only increasing the magnitude of customers (Kotler at el., 2005). By strengthening infrastructure in FEIF registered countries and encouraging owners to become
members of the breed’s society and provide these societies with support, guidelines and education, thus employing the last two Ps, price and place, the Horses of Iceland brand would benefit greatly.

Clearly, Icelandic horse owners are pure devotees for their horses. Their satisfaction and the emotional bond they generate with the breed form the basis of the assumption that the Icelandic horse is a brand with a loyal customer base, as satisfaction is fundamental in creating loyalty towards a brand (Kotler & Keller, 2006). More than half of the international owners of the Icelandic horse in this study started their horsemanship with the breed, demonstrating an importance of marketing the Icelandic horse towards keen newcomers in equestrian activities. Accordingly, to be a prominent and available horse breed for people taking their first steps within equestrian activities could be vital for the Icelandic horse’s increasing popularity. By the same token, introducing Icelandic horses as ideal horses for children to grow up with in their horsemanship, all from young age where their Icelandic companion would serve as a babysitter, to the point where the child would want a more challenging Icelandic competition horse, creates loyal customers with a considerable lifetime value for the brand Horses of Iceland.

The finding of such a high ratio not coming from other horse breeds furthermore attest that international equestrians might not be an ideal target market for the Icelandic horse, showing the conversion rate from other horse breeds to be rather scant. Thus, returning to the discussion of the riding discipline to be an important driver in purchasing decisions for equestrians, i.e. if the rider has already established a strong interest in a certain discipline, he is unlikely to convert to another discipline in the near future and therefore unlikely to change the choice of horse breeds in his consideration set. In the same way, those who have established an interest in the Icelandic horse seem to be less likely to convert to other breeds, compared to the study’s results. Loyalty being perhaps the strongest measure of brand equity (Deshpandé & Keinan, 2014), the findings of this study demonstrate that the Icelandic horse has quite a high level of brand equity, supported by both awareness and image results. Affirmed by the ultimate level of loyalty, brand love, Icelandic horse enthusiasts truly reflect the consumer-brand relationship paradigm, characterized by emotional attachment and passion.

7.1 Limitations and Future Research
It should be noted that the data was obtained by sharing the survey link via sponsored ads on Facebook, with emphasis on targeting Europe and North America due to limited financial resources. The results are therefore limited to the western part of the world, where the Icelandic horse is relatively available. Even though the survey was open to all, most of the participants were from these two continents, except 2.2% that fell into the category of Other. By measuring awareness and image in more countries with more dependable data collection method, one would gain better picture of the actual worldwide awareness and image of the Icelandic horse.
Although difficult to implement, it would be interesting to investigate the worldwide awareness and image of the Icelandic horse, regardless of target segments, especially given how trendy Iceland has become as a tourist-destination with tourists visiting from all over the world. As quite big ratio of the study’s participants were owners of the Icelandic horse, the results may be biased towards the image and attitude being more agreeable than otherwise. Future research on the topic would prove valuable for Horses of Iceland, in order to evaluate market opportunities.
References


from


Dear fellow horse lover,

The following survey is meant for horse owners all over the world. By participating you have a chance to win a truly special trip that every horse enthusiast would love. Take the survey and find out where you might be going for an adventure!

We truly appreciate your input. The survey is anonymous and answers will not be traced to individual participants. The survey should not take more than 5 minutes.

If you have any questions in regards to the survey, please feel free to contact us through our Facebook page, Equine Research Platform. To have a chance to win the trip mentioned above, you will have to finish the survey.

Thank you!
Equine Research Platform Team

The Horses of Iceland thank you for your contribution!

Horses of Iceland is a strategic marketing plan developed by stakeholders in the Icelandic horse community to increase the awareness and strengthen the image of the Icelandic horse in international markets.

We truly appreciate your input and would like to offer you to enter your email address for a chance to win an adventure to Iceland and experience the Icelandic horse for yourself!

Included in the winnings is:

- A gift certificate with Icelandair worth 70,000 ISK
- A day horse trip for two persons while staying in Iceland

By entering your email, you are consenting to occasionally receive promotional posts from Horses of Iceland. We care about your privacy and won’t share it with others or spam you in any way.

Email: _________________________________
Appendix B – Questionnaire

1. Do you own or have access to a horse?
   • I own a horse/horses
   • I have access to a horse/horses (lease, loan, etc.)
   • I don’t have a horse. (Note: filter question to background variables)

2. What breed of horses comes first in mind when you think about horses?
   • Open question.

3. Kindly, name other breeds that come to mind.
   • Open question.

4. Have you heard about the Icelandic horse?
   • Yes.
   • No. (Note: filter question to background variables)

5. What is the first thing you think about when you think of an Icelandic horse?
   • Open question

6. How weakly or strongly do you associate the following statements with the Icelandic horse?
   If you do not have a personal experience with the Icelandic horse, then please answer how much you believe those statements apply based on your impression.

   1. Very weakly
   2. Weakly
   3. Neither weakly nor strongly
   4. Strongly
   5. Very strongly

   1. The Icelandic horse is versatile and can be used for more than one discipline and/or for different purposes.
   2. The Icelandic horse brings his rider closer to nature.
   3. The Icelandic horse has a gentle, self-assured and cooperative temperament.
   4. The Icelandic horse’s heritage is an integral part of the history and culture of the Icelandic nation.
   5. The Icelandic horse brings a feeling of freedom.
6. The size of the Icelandic horse is suitable for most riders.
7. There is a vivid and enjoyable community behind the Icelandic horse.
8. The Icelandic horse is genuine and authentic.
9. It is easy to find knowledge and guidance about the Icelandic horse and its training in general.
10. The Icelandic horse is powerful and robust.
11. The Icelandic horse’s gaits are elegant and natural to look at.
12. It is good for one’s mental well-being to be around the Icelandic horse.
13. The Icelandic horse is an example of a healthy and pure horse breed.
14. The Icelandic horse is highly adaptable and willing to please.
15. There is a humorous attribute to the Icelandic horse.
16. There is a rough and rugged aspect to the Icelandic horse.

7. Have you been exposed to any marketing content about the Icelandic horse in the last 3 years?
   - Yes (Note: get the next question)
   - No (Note: does not get the next question)

7a. Where do you mainly encounter content about the Icelandic horse? (Kindly check all applicable answers)
   - At horse shows/exhibitions
   - On the television
   - Promotional advertisement in newspapers/magazines
   - Promotional advertisement online (f.ex. sponsored ads on Facebook and Instagram)
   - Through discussions on social media (f.ex. in groups)
   - Through friend’s or family’s social media
   - On a visit to Iceland
   - Other: ____________________

8. If you were thinking about buying a horse in the near future, how unlikely or likely are you to buy an Icelandic horse?
   - Very unlikely
   - Unlikely
   - Neither unlikely or likely
   - Likely
   - Very likely

9. How negative or positive is your impression of the Icelandic horse?
   - Very negative
   - Negative
• Neither negative nor positive
• Positive
• Very positive

10. Would you say that the Icelandic horse is masculine or feminine?
• Masculine
• Somehow masculine
• Neither masculine nor feminine
• Somehow feminine
• Feminine

11. Do you or have you ever owned an Icelandic horse or had access to one? (Note: filter question)
• Yes, I own an Icelandic horse. (Get loyalty questions)
• Yes, I owned an Icelandic horse in the past but not anymore (Get loyalty questions)
• Yes, I own both an Icelandic horse and a horse of another breed (Get loyalty questions)
• Yes, I have or had access to an Icelandic horse (Does not get loyalty questions – get extra question)
• No, but I have considered it and might want to in the future (Does not get loyalty questions – get extra question)
• No and I don’t see myself wanting to in the future (Does not get loyalty questions nor extra question – filter to background variables)

11a. Aukaspurning: If you were thinking about getting an Icelandic horse, what do you believe would be its purpose with you?
• Children’s horse
• Trail horse
• For therapeutic purposes
• Competition horse (within FEIF)
• Dressage
• Jumping
• Endurance
• Breeding horse
• Other: __________________

12. How would you rate your overall satisfaction with your acquaintance with the Icelandic horse in general?
1. Very dissatisfied
2. Dissatisfied
3. Neither dissatisfied nor satisfied
4. Satisfied
5. Very satisfied
13. How much do you disagree or agree with the following statements?

13a. When buying a new horse, I would consider other breeds than the Icelandic horse

- Strongly disagree
- Disagree
- Neither disagree nor agree
- Agree
- Strongly agree
- Other breeds are not an option since I live in Iceland.

13b. I am likely to pick an Icelandic horse over other horse breeds when buying a horse

- Strongly disagree
- Disagree
- Neither disagree nor agree
- Agree
- Strongly agree
- Other breeds are not an option since I live in Iceland.

13c. I am invested in my interest of the Icelandic horse

- Strongly disagree
- Disagree
- Neither disagree nor agree
- Agree
- Strongly agree

13d. I am invested in the culture surrounding the Icelandic horse (as in participating in FEIF competitions, taking lessons with an Icelandic horse trainer etc.)

- Strongly disagree
- Disagree
- Neither disagree nor agree
- Agree
- Strongly agree

13e. I am likely to recommend the Icelandic horse to another horse enthusiast

- Strongly disagree
- Disagree
- Neither disagree nor agree
- Agree
- Strongly agree
14. What horse breeds do you own or have you owned, besides the Icelandic horse?

- Akhal Teke
- American Saddlebred
- American Quarter horse
- Andalusian
- Appaloosa
- Arabian (or other Iberian horse breeds like Lusitano f.ex.)
- Breton
- Clydesdale
- Falabella pony
- Friesian
- Haflinger
- Hannoverian
- Holsteiner
- Irish cob/Gypsy cob
- Irish Draught horse
- Lipizzaner
- Morgan
- Norwegian Fjord horse
- Oldenburg
- Paso Fino
- Rocky Mountain horse
- Shetland pony
- Shire horse
- Tennessee walker
- Thoroughbred
- Warmblood
- Westfalen
- Welsh pony/cob
- Other: __________________
- I have not owned other horse breed than the Icelandic horse

15. What is the primary purpose of your Icelandic horse/horses?

- Children’s horse
- Trail horse
- For therapeutic purposes
- Competition horse (within FEIF)
- Dressage
- Jumping
- Endurance
- Breeding horse
- Other: _________________

16. How long have you owned/been involved with the Icelandic horse? (Note: only current owners got this question)

- Less than one year
• One to under three years
• Three to under five years
• Five to under ten years
• Ten years or more

**Background variables**

17. What is your gender?
• Male
• Female
• Other.

18. What is your age?
• 20 years or younger.
• 21-25 years
• 26-35 years
• 36-45 years
• 46-55 years
• 56-65 years
• 66 years or older.

19. What is your highest degree of education?
• Primary school (grunskóli)
• Secondary school (framhaldsskóli)
• Trade school (iðnnám)
• Undergraduate degree (BA, B.Sc., B.Ed or similar)
• Graduate degree (MSc./Ph.D or similar)
• Other : ____________________

20. What is your household’s average monthly income before taxes (you and your spouse’s if applicable)?
• 2.000 EUR or lower
• 2.001 - 4.000 EUR
• 4.001 - 6.000 EUR
• 6.0001 - 8.000 EUR
• 8.001 EUR or more

21. Which of the following best applies to you in regards to your horsemanship?
• Hobbyist
• Enthusiast
• Competitor
• Professional
• Breeder

22. How would you rate your riding skills?
• Beginner
• Advanced
• Expert

23. What kind of area do you live in?
• Countryside
• Suburb
• City

24. In what country do you reside in?
• A list of all countries.