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Business Development Concept:
Creation of a supermarket without plastic packaging in Portugal

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Resumo

O seguinte conceito de desenvolvimento de negócio descreve o processo de germinação e progresso de um supermercado em Portugal denominado “Puro”. Este conceito distingue-se completamente dos já existentes no país devido à sua original e única forma de acondicionamento das compras.

O presente documento debaterá a bibliografia do empreendedorismo, especialmente no que diz respeito ao empreendedorismo social e responsável e descreverá pormenorizadamente o conceito bem como as oportunidades de mercado para esta ideia na capital de Portugal, Lisboa. Em acréscimo, o plano de marketing para este conceito é detalhadamente descrito, incluindo-se no mesmo a compreensão do seu potencial de mercado, o delinear do mix de marketing, a análise da concorrência, bem como, uma análise SWOT. A distribuição de um questionário entre os cidadãos portugueses foi utilizado para a condução da pesquisa secundária, a fim de se compreender a viabilidade do conceito desenvolvido.

Este conceito de negócio é aqui desenvolvido num formato descritivo de análise, uma vez que existem três fases de desenvolvimento. A primeira fase consiste na revisão de literatura, na qual se adquire e se aprofunda o conhecimento sobre empreendedorismo, seguida pela segunda fase, a elaboração do conceito. A última fase consiste no desenvolvimento em profundidade da ideia. No final deste documento, uma conclusão pode ser encontrada, que liga os resultados da pesquisa secundária com a ideia desenvolvida.

Todo o docuemnto foi escrito com base em diversas fontes de informação, com o intuito de se redigir um conceito de desenvolvimento de negócios adequado e realista. No entanto, este conceito ainda pode falhar numa sua implementação, devido a circunstâncias imprevistas.

Palavras-Chave

Conceito de desenvovlimento de negócio, Empreendedorismo, Acondicionamento, Embalagem, Plástico, Análise da concorrência, Plano de Marketing

Abstract

The following business development concept describes the development of a supermarket in Portugal named “Puro”. This concept distinguishes itself widely from the already existing supermarkets in Portugal due to its unique way of packaging groceries.

This paper will discuss the literature of entrepreneurship, especially with regard to social and responsible entrepreneurship and will then outline in detail the concept as well as the market opportunities for this idea in the capital of Portugal, Lisbon. Furthermore, the marketing plan for this concept is described in detail, including the understanding of the market potential of the idea, outlining the marketing mix, conducting a competitor analysis as well as a SWOT analysis. The distribution of a questionnaire amongst Portuguese citizens is used to conduct secondary research, in order to understand the feasibility of the developed concept.

This business concept is developed in a descriptive way of analysis since there are three phases of development. The first phase is the literature review in which knowledge about entrepreneurship is gained and deepened, which is followed by the second phase, which is the elaboration of the concept. The last phase is the in depth development of the idea. In the end of this paper, a conclusion can be found, which connects the outcomes of the secondary research with the developed idea.

The entire concept is written based on numerous sources of information in order to write an adequate and realistic business development concept. However, such a developed concept can still fail in real life implementation due to unforeseen circumstances.

Keywords

Business development concept, Entrepreneurship, Packaging, Plastic, Competitor Analysis, Marketing Plan

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Sumário Executivo

O Conceito

As compras de supermercado são uma parte integrante da nossa vida quotidiana e pensar-se sobre o futuro da nossa terra é vital na preservação do planeta para as gerações futuras. Devido ao desenvolvimento industrial nos séculos passados, encontramo-nos atualmente perante questões ambientais que têm de ser superadas, de forma a tornar a vida valiosa para o futuro. Uma vez que todos podem facilmente participar durante uma visita ao supermercado para se utilizar menos plástico, o conceito desenvolvido, denominado Puro, é simples: o supermercado não tem qualquer embalagem plástica para os comestíveis e bebidas, ou seja, os produtos estão disponibilizados de forma avulsa e os clientes podem trazer os seus próprios recipientes para armazenamento das suas compras. Outra vantagem do supermercado é que as pessoas não têm intenção de comprar mais do que podem consumir, apenas porque o pacote maior é mais barato; como alternativa, as pessoas devem comprar apenas a quantidade que realmente precisam. Em acréscimo, o conceito tem a intenção de disponibilizar produtos de maior qualidade sendo que, o futuro supermercado quererá apoiar o setor da agricultura local, adquirindo apenas a agricultores e produtores locais.

O Mercado

A cidade escolhida para a implementação deste conceito é Lisboa, em Portugal, como base para a primeira loja. Lisboa é uma cidade em crescimento e as pessoas estão cada vez mais conscientes da necessidade da redução do consumo de plástico, não apenas mas também, porque o país já enfrenta atualmente, grandes problemas no que diz respeito aos resíduos de plástico. Além disso, conceitos semelhantes já estão estabelecidos noutras capitais europeias, como Berlim, ou seja, este conceito poder-se-á tornar uma tendência. Portugal ainda está a sofrer com a crise económica mas encontra-se no seu caminho para superá-la; ou seja, as pessoas podem dispender novamente, mais dinheiro em comida. Outros motivos para este local é o fato de Lisboa ser, não apenas a cidade mais populosa de Portugal mas também, a principal cidade de negócios em Portugal, possuindo assim os seus habitantes, um maior poder económico.

Posicionamento Competitivo

Existe um grande número de concorrentes no mercado de retalho de alimentos em Lisboa, mas nenhum deles com um conceito similar. Existem várias lojas com o conceito de desconto,

com o foco principal em preços baratos, bem como os hipermercados, bem conhecidos entre os Portugueses. No entanto, existem apenas algumas lojas de venda de produtos orgânicos, mas que, no entanto, também não correspondem totalmente à ideia deste novo conceito.
A localização escolhida para este supermercado é o bairro do Cais do Sodré, devido, não apenas à sua acessibilidade por viaturas privadas e através de transportes públicos (autocarro, comboio e metropolitano), mas também pelos seus parques de estacionamento e pelas características dos seus habitantes, bem como o número de competidores diretos. O conceito "Puro" destacar-se-ia entre os seus concorrentes, tais como o Mercado Municipal bem como alguns supermercados de pequena dimensão, nesta área específica, porque o nosso supermercado terá um portfólio de produtos locais, de alta qualidade e com preços razoáveis, serviço familiar, levando também em consideração o Meio Ambiente.

Equipa de Gestão

No início, a equipa será constituida da seguinte forma:

- no Proprietário, que será, além de proprietário, o fomentador dos negócios cujo foco se encontra na gestão da cadeia de fornecimentos da empresa, incluindo o contato com os produtores ou na busca de uma forma economicamente amigável de transporte, bem como nas finanças e na contabilidade do negócio;
- no Gerente, que supervisiona os funcionários e as operações diárias na loja, executa e monitoriza o inventário bem como todas as tarefas associadas aos recursos humanos, questões administrativas, etc.;
- vários Assistentes de loja que apoiarão os clientes durante as suas visitas;
- um recurso humano dedicado à limpeza e higiene da loja, para que sejam mantidas todas normas de higiene exigidas.

O Futuro

O principal objetivo é estabelecer uma mercearia rentável no coração de Lisboa. No entanto, existem planos de expansão, que consistem primeiramente, na abertura de outras lojas em Lisboa, seguidas de outras nas grandes cidades de Portugal e finalmente, na expansão Europeia, através do franchising do conceito. Inicialmente, o foco recairá apenas sobre a abertura da loja no Cais do Sodré.

Executive Summary

The Concept

Grocery shopping is part of our daily life and thinking about the future of our earth is vital in order to preserve the planet for future generations. Due to the industrial development in the past centuries, we face environmental issues nowadays that have to be overcome in order to make life valuable for the future. Since everyone can easily participate during a supermarket visit to use less plastic, the developed concept named Puro is simple: the supermarket does not have any plastic packaging for its food and beverages, meaning the goods are loose and people can bring their own containers to store the groceries. Another advantage of the supermarket is that people do not intend to buy more than they can actually consume just because the bigger package is cheaper, instead people are supposed to buy just the amount they really need. Additionally, the concept intends to have higher quality products and the future supermarket wants to support the local agriculture industry while buying only from local farmers and producers.

The Market

The targeted city for this concept is Lisbon in Portugal as a base for the first store. Lisbon is a growing city and people become more and more aware of the fact that the plastic consumption has to be reduced since the country already faces major issues regarding plastic waste. Furthermore, similar concepts are already established in other European capitals such as Berlin, meaning this plastic free idea could become a trend. Portugal is still suffering from the economic crisis but is actually on its way to overcome it, meaning people can spend again more money on food. Another reasons for this location is that Lisbon is the main city for businesses in Portugal and therefore the inhabitants have more economic power. Furthermore, the city has the highest citizen number in Portugal.

Competitive Position

There are a lot of competitors in the food market in Lisbon but none of them with a similar concept. There are a lot of discounters, focusing on cheap prices as well as the hypermarkets that are well-known amongst Portuguese. However, there are only a few organic stores, which also do not totally match the idea of this developed concept.

The chosen location for this grocery store is the district of Cais do Sodré due to its accessibility by train, bus, road and metro, its parking facilities, its characteristics of inhabitants as well as the number of competitors The concept of Puro would outstand amongst the competitors, such as the local market hall and some smaller supermarkets in this specific area, because this supermarket has a local product portfolio, reasonable prices, high quality products, familiar service, and it also takes the environment into consideration.

Management Team

Initially, the team will be composed as follows:

- The owner, which will be not only the business proprietor but also the business developer whose focus lies on the supply chain management side of the business, including getting in touch with producers or finding an economical friendly way of transportation as well as working on the finance and accounting side of the business;
- The general manager, whose task is to employ and supervise the employees and store operations. He also has to take and monitor the inventory, has to perform administrative and human resource tasks etc.;
- Several shop assistants, who support the clients during their visit,
- One cleaning lady, who is also part of the team in order to match the Portuguese hygiene standards.

The Future

The main objective is to establish a profitable grocery shop in the heart of Lisbon. However, expansion plans exist, while first opening other stores in Lisbon, then in other major cities in Portugal while then expanding in Europe through franchising the concept. Initially, the focus lies on the store opening in Cais do Sodré.

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Chapter 1: Introduction

"Human beings and the natural world are on a collision course. Human activities inflict harsh and often irreversible damage on the environment and on critical resources. If not checked, many of our current practices put at serious risk the future that we wish for human society and the plant and animal kingdoms, and may so alter the living world that it will be unable to sustain life in the manner that we know. Fundamental changes are urgent if we are to avoid the collision our present course will bring about." (World Scientists' Warning to Humanity, 1992, p. 783)

While shopping in small corner shops was popular until the early 1950's, people today do their daily shopping in big supermarket chains. This development also affected the packaging of products. Though, people were able to buy any amount of groceries they needed in the small corner stores, they are bound by the quantity of products they can find in the supermarkets nowadays. Furthermore, having a look at the packaging of the commodities in the supermarket, a significant change can be recognised. The products are packaged mainly in plastic, cardboards, aluminium or glass and quite often even in several of those types of packages. Another issue that occurs while going shopping nowadays is the distribution of plastic bags to pack your purchase at the checkout.

In order to contribute for a better and more sustainable life on earth, the development of a business concept for a supermarket without plastic packaging is a step into the right direction to protect our environment. The awareness of people towards pre-cycling instead of recycling has to be increased to be able to preserve the earth for future generations.

I feel personally strongly connected to this project because I believe that we human beings have to increase their awareness to save the planet we live on. While going to a supermarket, which sells products without plastic packaging, everyone can easily contribute to an environmental friendly living. Since grocery shopping is part of our daily life, it is any easy task to change the habit of one's supermarket selection to the current one. Moreover, users of this concept can immediately see the change in their waste disposal, which will show their contribution towards an environmental friendly life directly. A further problem, namely the health risk caused through plastic packaging, can be solved, as well as recycling issues with packaging material.

This business development concept is structured in a coherent way and principally consists out of four parts. The first part consists of a literature review to get a general understanding of what entrepreneurship is. This is followed by the concept and market definition, including the product range, logo, location etc., of this idea. The third part deals with the marketing plan for the concept, while making use of its marketing mix. Finally, in order to justify or decline the concept for Portugal a representative survey is conducted and analysed. Subsequent a conclusion as well as recommendations are given for this developed concept.

Chapter 2: Literature Review

2.1. Entrepreneurship

In order to understand the term entrepreneurship a brief overview of its history is given as well as its definition. Furthermore, the twelve tribes of entrepreneurship and the term international entrepreneurship are explained in this chapter.

2.1.1. History

"The function, if not the name, of the entrepreneur is probably as old as the institutions of barter and exchange" (Hébert & Link, 2009, p.1). Not until the economic markets became important for the society, the role of entrepreneurs started to receive recognition.

The microeconomic analysis of the phenomenon entrepreneurship dates back to the works of the French businessman Richard Cantillon and the Scottish moral philosopher Adam Smith in the 18th century. The former published the essay *Essai sur la Nature du Commerce en Général* in 1755, which nowadays is better known as "the cradle of political economy" (Hébert & Link, 2009, p.1). However, the topic was neglected in the 19th and 20th century until it received recognition again in the past 30 to 40 years.

Our current understanding is mainly characterised through the work of Austrian economists such as Joseph Schumpeter, Ludwig von Mieses and Carl Menger. Schumpeter defines an entrepreneur as a person that is prepared and capable to realise new ideas or inventions into successful innovations. The entrepreneur can be seen as the cause of change, which leads away from the old equilibrium. Moreover, the entrepreneur is not primarily an inventor, but an innovator, who picks up and enforces new ideas in order to terminate old structures and creates new ones. The creative termination of old structures is responsible for the industrial dynamic and long-term economic growth. In contrast to Schumpeter's approach from the 20th century, the traditional micro economy does not leave a lot of scope for entrepreneurship in its traditional way. Instead, it assumes that the resources find themselves through a pricing system.

Since Schumpter's approach, a clear distinction between an entrepreneur and a manager or business owner is made. Today, the role of a business owner is clearly distinguished from the one of an entrepreneur, since the owner is the person who takes the risk for innovative entrepreneurship but he or she does not provide obligatory own resources. On the other hand, the term entrepreneur is connoted with the perception of the provision of extensive resources.

Those further concept differentiations are the consequence for a decline of the barrier for start-ups to enter the market in the 1980s and 1990s. This signifies the entrepreneur's creative utilization and combination of the already existing resources in the market. (Hébert & Link, 2009; Hörrlein, 2013)

2.1.2. Definition

Although the term entrepreneurship exists for decades, there is no universally recognised definition for it. Nonetheless, an entrepreneur can be defined, according to the Oxford English Dictionary, as "A person who sets up a business or businesses, taking on financial risks in the hope of profit." (Oxford English Dictionary, 2014a). This implies that an entrepreneur performs a high level of initiative and is also eager to take a high level of risk. "But it covers a wide range of occupations, including that of paid assassin." (Burns, 2011, p.11)

The French economist Jean-Baptist Say defines an entrepreneur in 1803 as someone who creates value by utilizing some kind of change. This change could be found in technology, materials, prices or demographics. This however might be better known as innovation, which is the most important feature of entrepreneurship. More precisely, entrepreneurs generate a new demand or find an alternative on how to exploit the already existing market. (Burns, 2011) This can also be seen as a change, which results in a disequilibrium in the markets. It is possible that the entrepreneur creates this change by him- or herself but it is also possible that the change is created by the external environment. The existing order as well as social and economic systems can be therefore damaged with it. The management and adaptation of this change by the entrepreneur is crucial for the success. Usually, human beings think of change as something threatening in contrast to entrepreneurs though - they "welcome it because it creates opportunities that can be exploited and they often create it through innovation" (Burns, 2011, p. 12).

Another key characteristic of an entrepreneur is the willingness to take risks and cope with uncertainty. Consequently, entrepreneurs take a much higher gamble than managers since they risk the business itself and also their own position. (Burns, 2011, p.12).

A distinction between an entrepreneur and manager has to be drawn but is very often missed in the existing literature. According to Burns (2011, p.12), it can be argued that "entrepreneurs can be described in terms of their character and judged by their actions and one of the major factors differentiation them from owner-managers is the dress if innovation they practise."

2.1.3. Different types of entrepreneurs

There are several typologies of classifications for entrepreneurs. One of the oldest ones was developed by Miles and Snow (1978), who classified entrepreneurs into four different categories in conformity with four strategic orientations, namely prospectors, defenders, analysers and reactors. The first categorized entrepreneur is always looking for new opportunities and tries to focus on the development of products. The defender tries to regulate secure niches in the operating industry and is not concerned about the market or product development. The analyser links the characteristics of the prospector and defender. The last classified entrepreneur by the two authors is the reactor who does “not follow a conscious strategy” (Miles & Snow, 1978, p. 42).

The most recent framework for differentiating entrepreneurs is the following twelve tribes of entrepreneurship model. This model is used to understand the difference amongst entrepreneurs since not every entrepreneur can be classified the same way. Gasparski et al. (2010) identified twelve different entrepreneurs as can be seen in table one.

TWELVE TRIBES OF ENTREPRENEURS

1. Woman Entrepreneur	7. Corporate Entrepreneur
2. Family Entrepreneur	8. Franchise Entrepreneur
3. Social Entrepreneur	9. Immigrant Entrepreneur
4. Technology Entrepreneur	10. Creative Entrepreneur
5. Serial Entrepreneur	11. Ambitious Entrepreneur
6. Lifestyle Entrepreneur	12. Intellectual Entrepreneur

Table 1: Twelve Tribes of Entrepreneurs (Gasparski et al., 2010)

The women entrepreneur is as the name already indicates, a female business owner. The trend for more business owned by women can found in the former male dominating entrepreneurships. Whereas women owned only 5% of all businesses in the US in 1970, nowadays they would owe around 30%. This shows the increasing importance of female entrepreneurs. (Gasparski et al., 2010)

80 to 98% of the world economy is owned by family entrepreneurs. These entrepreneurs can be also defined as the backbone of the world economy. A typical definition for a family entrepreneur characterises a business being held and controlled by its family. Moreover, the extent and the presence of the family investors as well as the amount of family members who

work in the company play a vital role for the definition of family entrepreneurs. (Gasparski et al., 2010)

A social entrepreneur is a business person, who connects entrepreneurship, innovation as well as social intention. Additionally, this type of entrepreneur tries to be sustainable in regards to finance issues while "generating revenue in the market place" (Gasparski et al., 2010, p. 47).

Technology entrepreneurship can be defined according to Bailetti (2012, p.1) as "an investment in a project that assembles and deploys specialized individuals and heterogeneous assets to create and capture value to the firm". Another important aspect while differentiating technology entrepreneurship from other forms is the experimentation amongst many individuals and also the creation of new assets, products and its features. (Bailetti, 2012)

A serial entrepreneur is a person who establishes new businesses frequently and sells or closes the already existing ones. (Gasparski et al., 2010)

If a company's focus lies on time minimalism or something the entrepreneur is devoted to, it reflects a lifestyle entrepreneur. The entrepreneur therewith formulates some goals, which are undoubtedly definable. (Gasparski et al., 2010)

According to Morris et al. (2011), corporate entrepreneurship is the practise, in which one person or even a group of people associate themselves with an already existing company. This results in a creation of a new business or influences innovations within the organisation. (Morris et al., 2011)

A franchising entrepreneur makes use of the concept of franchising, which means that the entrepreneur can utilise the franchisers business model as well as the brand itself. The entrepreneur is legally bound to the franchiser while he or she receives the allowance to operate in a specific area for a compulsory period of time and specific royalty fees. (Gasparski et al., 2010)

Also non-natives to a country can open their own business in the country they live in and are therewith called immigrant entrepreneurs. Actually this entrepreneurship is very common and it can also be stated that immigrants rather become entrepreneurs than natives. (Gasparski et al., 2010)

Scientists, engineers, architects, designers, educators, artists, musicians and entertainers with new concepts and technologies and/or fresh creative content characterise a creative entrepreneur. (Gasparski et al., 2010)

Minniti (2011, p. 235) defines an ambitious entrepreneur as "a subset of TEA [total early-stage entrepreneurial activity], specifically, the share of TEA who expect their firm to grow with at least six employees within five years".

The last conferred type of entrepreneurship is the intellectual entrepreneur. The intellectual and cultural opportunities that occur while being in contact with different societies is the main inspiration of an intellectual entrepreneur. (Qi, 2014)

As it can be seen from the twelve tribes of entrepreneurship, Gasparski et al., however do not define sustainable or responsible entrepreneurs, which are then defined later in this literature review.

2.1.4. International Entrepreneurship

In general, international entrepreneurship has two different meanings. First of all, the international character can be referred back to entrepreneurs who are doing business in different countries and cultures. Secondly, international entrepreneurship can be described as the behaviour of entrepreneurs beyond national borders. This signifies how an entrepreneur can establish a firm in a foreign country and how to import and export from this country. (Burns, 2011)

The form of international entrepreneurship is relatively new and its first articles can just be found in the 1970s. Since globalisation plays an increasingly important role, the field of international entrepreneurship is also expanding and nowadays includes international start-ups, alliances, joint ventures, market entry modes, network theory, knowledge management and exporting. (Burns, 2011)

International entrepreneurship is not only significant for large firms but also for medium and small sized companies, since while thinking globally, they can increase their sales and thereby profits. With the help of technology as well as new ways of communication those markets can be served on a global basis by SMEs. (Burns, 2011)

2.2. Responsible Entrepreneurship

According to the European Commission (2003, p.7) the term responsible entrepreneurship "denotes voluntary business strategies to achieve sustainable development and is fully in line with the EU definition of corporate social responsibility (CSR)". Hence, the concept of corporate social responsibility needs to be explained in further detail. As well as there is no commonly accepted definition for entrepreneurship, the same is applicable for CSR. Most approaches by different people and institutions were undertaken to define the term in the last 30 years (Schwartz, 2011). The difficulty of finding one common characterisation is also reflected when researching the results of the search engines in the World Wide Web. When entering ‘corporate social responsibility’ in the commonly known search engine Google one receives 2,640,000 results (Google, 2014). However, there are not only a lot of diverse definitions but also many different “views on the appropriate scope and nature of a firm’s social responsibilities” (Schwartz, 2011, p.15). As the result, companies have to ask themselves questions about their CSR awareness. Schwartz (2011) gives the example of a Dutch beer manufacturer who has to clarify, if they want to provide HIV/AIDS medication to their African staff, while being aware that there will not be an overall financial advantage for the enterprise.

Schwartz (2011) distinguishes between two different thoughts for the definition of CSR. The first one considers that a business is obliged to remain profitable while adhering legal and ethical issues on a minimum, while the other one believes that the responsibilities of a company are greater.

One of the most well-known authors in regards to this topic is the American professor Archie Carroll who writes in 1983 that “corporate social responsibility involves the conduct of a business so that it is economically profitable, law abiding, ethical and socially supportive. To be socially responsible therewith means that profitability and obedience to the law are foremost conditions when discussing the firm’s ethics and the extent to which it supports the society in which it exists with contributions of money, time and talent” (p. 608).

However, Carrolls definition is considered to be outdated for which reason Aguinis definition (2011) is rather chosen due to its novelty, its support from other researchers and the inclusion of the triple bottom line. Aguinis (2011, p.855) defines CSR as “context-specific organizational actions and policies that take into account stakeholders’ expectations and the triple bottom line if economic, social and environmental performance”. This explanation states that the actions and policies undertaken by organisations, are affected and accomplished by performers at all levels of analysis such as individuals, institutions and organisations.

The European Commission (2003) distinguishes CSR from responsible entrepreneurship while talking about large and SMEs. The commission beliefs that CSR can be implemented in large firms and responsible entrepreneurship rather than in SMEs (ibid). Hence, they divide responsible entrepreneurship into four different categories, namely marketplace, workplace, community and environment. The former one is the field closest to the firm’s core business. Additionally, “the way companies operate in the market is a crucial indicator of how they have integrated social, ethical and environmental concerns into their mainstream organisational structure and decision-making process" (European Commission, 2003, p. 11). Hence, there are three main external stakeholders with which the company has to cooperate, customers and consumer associations, suppliers and business partners as well as investors or shareholders.

The *workplace* of a firm can be seen as the most important indicator of a company's success since the employees are responsible for being productive, accountable for the interaction with customers and in addition to that have to come up with new ideas. In order to improve the working conditions in a firm, trade unions, public authorities and the local community play a significant role. (European Commission, 2003)

Another issue outlined by the European Commission (2003) is the *community*. It is believed that especially in SMEs, the firm's role and activities within the community have to be taken into consideration due to the fact that such companies primarily operate in local markets. The companies invest in the local community not only monetary and with donations, but also with the help of their employees who perform volunteer work.

In regards to the *environment*, the European Commission understands the contribution to a sustainable development. This implies that economic growth and social integration has to be balanced with the conservation of the environment for the future. (European Commission, 2003)

2.2.1. Corporate Social Responsible Model

The best-known model for CSR was introduced by Carroll in 1991 in form of a pyramid and developed by him further after his first publication in the early 1980s. In order for this pyramid to be acknowledged by a thorough entrepreneur, it has to include the full spectrum of business responsibilities. Carroll therefore implies economic, legal, ethical and philanthropic responsibilities in his model. (Carroll, 1991)

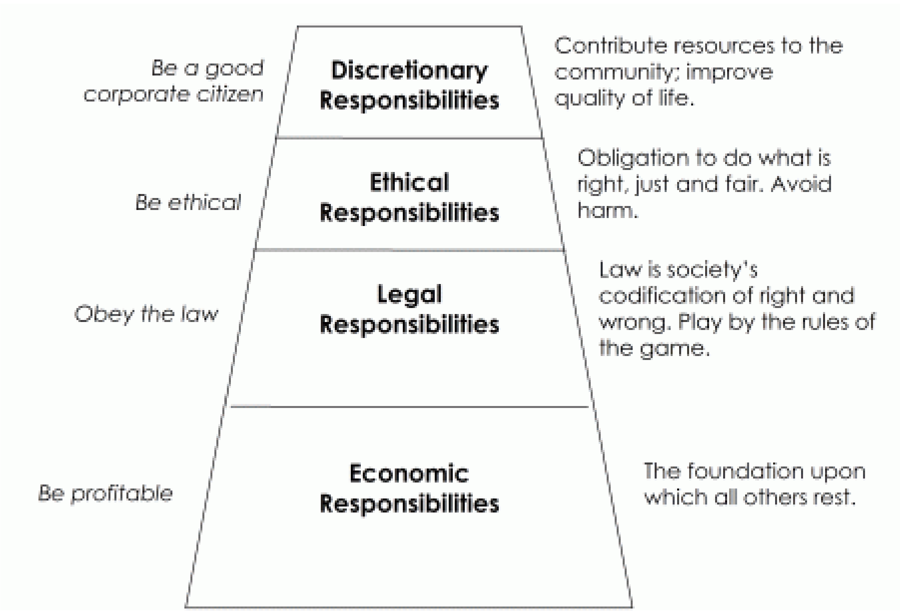


Figure 1: Diagram of the pyramid of corporate social responsibility (Carroll, 1991)

The base of the pyramid displays the *economic responsibility* of a business organisation. It means that an organisation is in charge of the provision of goods and services for its society. Profitability is the first established motive of entrepreneurship since it is the simple economic element in our society. Therefore, the major task of an organisation is to provide needed goods and services to the public while making profit during this practise. At one point in time, the concept of making profit was further developed towards making a maximum profit, which still exists today. The remaining three responsibilities are building up on this responsibility since they otherwise become irrelevant. (Carroll, 1991)

Legal responsibilities coexist with the economic responsibilities although they are in the next level of the pyramid. Businesses have to obey with the regulations and laws published by the state or local governments. In order to fulfil the social contract between an established organisation and society, businesses are obliged to undertake their work within the framework of law. Moreover, these responsibilities mirror a view of codified ethics, which means that a business has to follow the ground rules noted by the lawmakers. (Carroll, 1991)

Ethical norms concerning justice and fairness are already included in legal as well as economic responsibilities. Nevertheless, *ethical responsibilities* need another layer in the pyramid since they are not comprised in any laws and contain the activities and practices, which members of our society allows or not. In more detail, these responsibilities "embody those standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights." (Carroll, 1991, p. 5-6).

Carroll (1991) describes the *philanthropic responsibilities* as what a business has to undertake to meet the expectations of the society. Such actions can include the support by the firm of programs which campaign for human welfare or goodwill. The main difference between ethical and philanthropic responsibilities is that the latter ones are not considered as ethically or morally. Communities like to see that companies make use of their profit and facilities as well as use the employee's time in order to contribute to humanitarian activities. Hence, the communities do not condemn and title the firms as unethical if they do not meet those guidelines. To summarize, it can be stated that philanthropic responsibilities are accountabilities that can be made use of by the companies on a voluntary basis, even though there is a specific expectancy by society.

2.2.2. Corporate Social Responsibility in Portugal

Many differences concerning development or implementation can be recognized when talking about corporate social responsibility in Europe.

It can be stated, that Portugal is not one of the leading countries in regards to this issue. Nevertheless, some events took place in the last few years, which have changed the view on CSR. The three main events to market CSR have been an international project, as well as a seminar on organisational social responsibility by IDICT (Instituto de Desenvolvimento E Inspecção Das Condições de Trabalho), and the 28th National Quality Congress. With the help of these three events, an increasing awareness of CSR in Portugal can be recognised. Moreover, there are two associations (APEE and APRSE) formed by medium-sized and large companies, which are responsible for marketing CSR as well as its implementation. Government involvement can also be found since the XV Constitutional Government also tries to contribute to this issue while their mission is "to make Portugal, within the horizon of 2015, one of the most competitive European Union countries, regarding environmental quality and social responsibility" (Habisch, 2005, p. 307)

2.2.3. CSR in supermarkets

There are several examples for CSR implemented in supermarkets. The best-known example is Walmart in the US since their focus nowadays lies on four main responsibilities explicitly social, environmental, company and local responsibilities. Furthermore, the firm publishes a global responsibility report every year since 2004 taking those four responsibilities into consideration. (Walmart, 2014)

A similar trend can be found at the German discounter Aldi, whose focus lies on its consumers, suppliers, resources for their products, operations and their people when addressing CSR. The company even introduced a Corporate Responsibility Policy in order to brand the firm responsible for an integral part of their corporate decision making process. (Aldi, 2014b)

2.3. Sustainable Entrepreneurship

Sustainable entrepreneurship cannot be equated with responsible entrepreneurship, although the latter one contains some sustainable aspects but does not only focus on this subject. Schaper (2010) gives a simple definition for this term and claims that "sustainable entrepreneurship links our knowledge about entrepreneurship to our knowledge about sustainable development" (p. 22). He argues that the focus lies on the activities undertaken by the entrepreneurs and their small sized teams as well as on the impact the company marks on the broader socioeconomic system. Hence, Schaper (2010) also comments that sustainable development research has its focus on evolving and also on the sustainability aspect of the entire societies and ecosystems. The author comes to the conclusion that the above mentioned arguments are not enough to define sustainable entrepreneurship. Hence, he comes to the conclusion that entrepreneurs, whose focus lies on sustainability and whose main drive is to start a new business, want to make a contribution to improve the social and ecological well-being. Moreover, such entrepreneurs also want to fulfil their own, personal "quality-of-life interest" (Schaper, 2010, p. 35) but also want to make sufficient profit in order to achieve this success.

Matthew (2009) defines sustainable entrepreneurs in a similar way as Schaper but his focus lies also on the workforce and their families as well as on contributing for a more sustainable life to preserve future generations. Matthew (2009) also includes shareholders in his approach and concludes that "When the interests of these participants are involved and become the part of the decision making process, the idea of a whole new type of a company with a new type of operational management aligned with the sustainable entrepreneurial agenda can be realized." (p. 42)

2.3.1. Sustainable Entrepreneurship Model

Matthew (2009) developed a model, which shows the balance between the organisation, ecological conditions, business environmental conditions and entrepreneurship. He argues that this type of entrepreneurship makes “the right balance with the environmental condition […] and adds to the social responsibilities and ethics […] which will highlight the company being responsible towards the stakeholders and possess strength in terms of adopting the change and developing the corporate culture operating for future generation.” (p. 44)

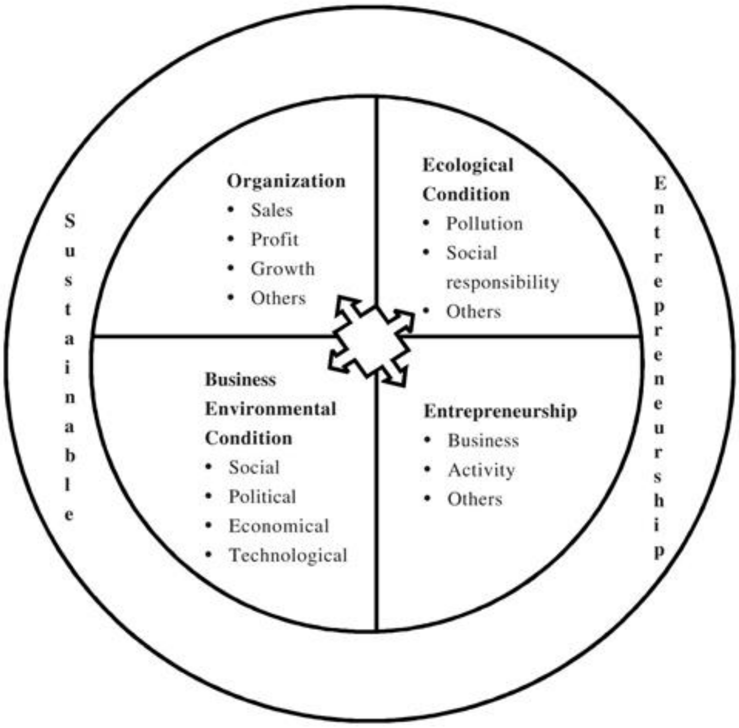


Figure 2: Sustainable Entrepreneurship Model

2.4. Entrepreneurship in Portugal

The entrepreneurial activity in Portugal did not change between 2011 and 2012 according to the Global Entrepreneurship Monitor National Report (2012). This implies that the entrepreneurial activity did not decrease despite the economic, financial and social situation in the country. Through the analysis of the results of the “Sondagem à População Adulta”, several conclusions were drawn by the authors of the national report

The TEA (total entrepreneurial activity) rate increased by 0.2% from 2011 to 2012 to 7.7%. This signifies that 7 or 8 out of 100 people in the adult age are entrepreneurs in the early stage, which means that these are individuals who are in involved in start-ups or in the management of a new business.

Portugal is ranked on position 44 out of 69 countries in 2012 according to their TEA. There are several Portuguese sectors with high percentages of recognised entrepreneurship. The biggest one is the consumer-oriented sector, including all the businesses related to the final consumer, with 44.9% of entrepreneurs. This is followed by the sector of transformation (26.2% of entrepreneurs), which contains construction, manufacturing, transportation, communication, utilities and wholesale. The sector, oriented towards the organisational customer, which includes all the activities where the main client is another business, can be denoted by 23.8%.

The number of male entrepreneurs in the early-stage entrepreneurship is 9.2% of the adult age male population, while the number of women is 6.1%.The age group of 25 to 34 years olds is the biggest one for entrepreneurial activity, since 10.6% of them are entrepreneurs. The main reasons for setting-up one’s own business are firstly to be able to have a new opportunity (58.3%), secondly due to necessity (26.2%) and lastly 15.6% have a mixture of motives. (Global Entrepreneurship Monitor National Report, 2012)

As it can be seen from a survey conducted by the OECD (2014a), there is an increase of creation of new enterprises in Portugal. The average of new enterprises was denoted by the OECD in their statistics with 100 new businesses. Portugal had in its first quarter of 2007 a number of 98.52 new companies and in the first quarter of 2014 a number of 130.06. This clearly indicates a significant increase of entrepreneurial activity in this country. It can also be stated that this increase can be repatriated to the economic crisis, the country is still undergoing. Therefore, “Entrepreneurial activity in Portugal is clearly dominated by entrepreneurship of needs” (Leitão & Baptista, 2009, p. 163).

Another indicator for the increase of entrepreneurship is the investment body implementation of the Portuguese government, called Portugal Ventures. This investment body generates 20 million Euros per year of public funds to help start-up businesses. Moreover, there are more and more start-up incubators such as “Start-up Lisboa”, who help entrepreneurs in their early stage to build up a new business. (Pereira, 2014)

Chapter 3: Defining the Concept and the Market

3.1. Introduction

The challenge of this chapter is to develop a concept for a sustainable and responsible supermarket. Hence, a market analysis has to be included, which is one of the main aspects of this chapter. Without knowing what the Portuguese costumers actually want, it is very difficult to develop any supermarket concept. This market description also has to include the legal framework regarding e.g. hygiene standards in Portugal, the awareness of the Portuguese towards the environment as well as the plastic consumption of the Portuguese and the country's problems with plastic garbage.

As can be seen in figure three, the market and the concept are in the middle of this radial, while other topics surround it. The circles around it mainly deal with the supermarket itself. Beginning with the chosen location and design for the furnishing up to the products itself and the pricing. These variables will be outlined in detail in this chapter to understand the basic values of this sustainable as well as responsible supermarket concept.

Figure 3: Definition of the concept and market

3.2. The Concept

Human beings produce more and more waste every day and a lot of it cannot be recycled and reaches places on our planet that are not intended for it, such as our oceans. In order to preserve future generations and life on our planet, the problem of ever-increasing amounts of waste has to be addressed seriously..

It is fair to say that nowadays many people are conscious of a sustainable and responsible lifestyle. This can be seen in societies, in countries such as Germany, France, the United Kingdom, the United States and Italy, where people tend to buy more organic products (Bund Ökologische Lebensmittelwirtschaft, 2011) for several reasons. German consumers' motivations for buying those organic products are animal welfare, regional origin and a low level of pollution (Statista, 2013). Here it can be seen that people reconsider their lifestyle and want to contribute to a change.

A lot of supermarkets opened everywhere in Europe in the past decade to offer fresh and healthy products to its customers. Looking at Lisbon today, it can be recognized that the city has six different organic supermarkets such as Brio or Miosótis (Organic News Company, 2013).

Nevertheless, organic products are still very often not affordable for many consumers (Food and Agriculture Organization of the United Nations, 2014). Moreover, in many cases they are packaged toxically, which is not only bad for the environment but also for our health.

From this analysis, I believe that the concept I propose can fulfil the wish of customers to contribute to a sustainable and responsible lifestyle. As Martin Luther King said, "The time is always right to do what is right" (Ricketts & Ricketts, 2011).

The concept is quite simple: the supermarket offers all main products which can be found in any other one without plastic packaging in a nice and familiar atmosphere for affordable prices.

The store is supposed to look like the original small corner shops but with a modern design. It will have a natural look for customers to perceive the sustainable and responsible concept behind it. To create such a personal atmosphere and meeting point for clients a lot of wood, baskets made out of willow, a shop bell, an old cash box, big shop window etc. have to be used.

The main products on offer will be comparable to the ones that can be found in any other supermarket and should be bought from regional and local suppliers. Leftovers will be donated, employees are treated like family members, sustainable interior furnishing is used and recycled-paper and fair-trade products are favoured.

3.3. The Market

The target market for this business development concept are young Portuguese families, young professionals, students as well as singles who are conscious about the effect their shopping behaviour has for the planet. They include customers from "regular" and already existing supermarkets who want to do their grocery shopping in a more environmental friendly and local atmosphere.

The first supermarket is supposed to open in one of the main cities in Portugal. The reason for choosing Portugal is that the country has a lot of environmental problems but is open to adopting new ideas. Additionally, Portugal faces huge challenges with its waste management, a problem its citizens are aware of.

3.3.1. Legal framework in Portugal

Portugal's legal framework regarding food regulations is based on European Law. General food laws as well as its implementation guidelines, principles and procedures are drafted and enforced by the European Commission. Moreover, regulations with regard to labelling, nutrition and biological safety, including food hygiene exist throughout the European Union. Additionally, official controls by authorised institutions are conducted on a regular basis to monitor if the food regulations are maintained.

The EU's general food law objectives aim to secure a high level of protection for human beings and their health as well as for animals, the planet and the environment. This approach is also called "farm to fork" and can be seen as a general principle of this EU policy. Another objective is to create rights of consumers in order to safe food and to provide truthful information. The European Commission's regulation also developed several procedures with regard to safety. This means a provision of a Rapid Alert System for Food and Feed (RASFF), the implementation of emergency procedures, crisis management and a regulatory committee. (European Commission, 2012)

Strict regulations also exist with regards to packaging. First of all, a general framework prescribes the contact of food with materials and articles such as bottles, cutlery, ink of the packaging etc. These materials and articles which are used for packaging have to meet the requirements. This is important to protect human health but also for the interest of consumers "with regard to the placing on the community market of materials and articles intended to come into contact with food either directly or indirectly" (European Commission, 2012, §3).

There are several requirements that concern materials and articles. First of all, the food should be produced in line with adequate manufacturing practices. This implies that the materials do not signify a danger for the consumer and also do not modify the composition of the food. Furthermore, these articles and materials are not allowed to transfer any substances to the food.

3.3.2. Portuguese environment awareness

According to an Austrian market research of Spectra Marktforschung in 2002, awareness of environmental issues was very low in Portugal compared to other 17 European countries., The average number of environmental protection projects is estimated with 3.72. In European comparison, Portugal performs rather poorly compared to leading France (5.52), Luxemburg (5.29) and Germany (5.28), which have a much higher average number of protection projects. Portugal also fares way below the European average of 4.19 (Appendix 1). The same scenario is applicable for the separation of waste, even though in this regard Portugal can be found in the middle field. In total, 46% of the waste is separated (Appendix 2). 49% of the Portuguese buy products with recyclable packaging, which means that Portugal can be found in the last third of the European countries again (Appendix 2). Concerning composting, Portugal has the worst record since only 7% gets composed (Appendix 2). However, Portuguese favour public transport, which is a positive sign for environmental awareness. (Spectra Marktforschung, 2002)

Nonetheless, having a look at recent data, it can be observed that Portugal made significant improvements in environmental protection. The overall waste recycling rate from around 41% in 2002 increased to 55% in 2011. Furthermore, the primary energy consumption decreased from 2005 to 2010, as well as the carbon and energy intensity of the economy in Portugal. The country was also capable to reduce the greenhouse gas emissions from 2005 to 2010 and even exceeded the Kyoto targets. Another positive aspect in the context of environmental awareness can be found in the number of organic producers, which more than tripled from 2000 to 2011. (Portuguese Environment Agency, 2013)

In general, it can be stated that Portugal improved the collection and use of environmental data in the past decade. An environmental database was developed and environmental indicators were defined. Furthermore, environmental NGOs became stronger and more professional. (OECD, 2011) Exemplary is Quercus, which introduced several environmental projects and campaigns (Quercus, 2014). To sum up, “Portugal is investing heavily to promote energy efficiency and renewable energy, and thereby reduces external energy dependence and greenhouse gas emissions, and boost long-term competitiveness." (OECD, 2011, p. 3).

However, looking at the composting rate, it becomes clear that only a 1% improvement was made compared to 2002 (Eurostat, 2013). Another factor that reflects the Portuguese unawareness of environmental issues is that 466 plastic bags were used in 2010 per capita. Only two other European countries, namely Poland and Slovakia, have the same problem, while other EU countries use much less as Denmark and Finland (four bags per year). (European Commission, 2013a) So compared to other European countries, there is still a clear deficit. This is reflected in the Environmental Performance Index of 2014(a), where Portugal can be found on rank 17 of the 178 countries. This index is calculated and aggregated with 20 different indicators, while the two objectives are environmental health and ecosystem vitality. The Portuguese ranking is definitely positive but there is still some room for improvement. (Environmental Performance Index, 2014b)

However, the Portuguese government tries to use the economic crisis which the country is undergoing at the moment to become greener. The Portuguese Finance Ministry proposed in January this year the integrated green tax reform proposal, one of the main objectives being an introduction of a tax for plastic bags. Hence, "the main objective of this report is to redefine the fundamental legal basis of the energy and environmental tax system, including, inter alia, the simplification of taxation and the revision of those essential elements that promote economic competitiveness, environmental sustainability and resource efficiency, under a more sustainable growth model" (WWF, 2013, § 3). In addition, the European Union provides Portugal with a 164 million € fund to help the country address its environmental problems and to become a greener and more environmental friendly country.

3.3.3. Alternative products for plastic packaging (transport)

The main component of plastic is mineral oil, which is a raw material we are slowly running out of. Nevertheless, it will not be the end of plastic since the plastic of the future might manage to get produced without petrochemical ingredients. The existing carbon in the mineral oil is the main ingredient used for plastic and can we won from plants such as corn, potatoes or sugar beets. Another important component for the plastic production is cellulose, which can be extracted from wood. With those natural components, a similar or even identical plastic can be manufactured as the one produced with mineral oil. (Wagner, 2014)

The main question we have to ask ourselves is if ‘bio is also eco’. Although the name bioplastic could conclude that this kind of plastic is also environment friendly, this is not the genuine truth. There are biodegradable bioplastics such as the lactic acid based PLA, which is theoretically compostable, but also contains materials that are unable to rot. Since plastics that are used for cars have to be as resistant as the plastic manufactured in petrochemical form. In order to answer the question whether bio is also eco, examples can be found in Germany, where grocery producers and supermarkets advertised e.g. yoghurt cups and plastic bags based on PLA as compostable. But the cultivation of the plants affects the environment through fertilization. Additionally, bioplastics only decompose under special conditions. Those conditions can be found in special composting plants but very often those plants refuse the receiving since the plastic parts decompose very slowly. (Wagner, 2014) Finally, the amount of bioplastics in the packaging industry is also very low. The first reason is that the packaging is much more expensive because the biodegradable packages have a negative overall balance. This can be seen e.g. on the calculations of the energy consumption in comparison to the normal production of plastics (Zeter, 2014). It can thus be concluded that no packaging is even better than packaging that consists of bioplastics.

3.3.4. Overview of plastic packaging

Almost everything we consume today is packaged. To understand the reason for finding and using alternative packing the term packaging has to be defined. According to Kerstin Zeter (2014), packaging always consist of two components, the packaging material and the packaging aid. The packaging material can be understood as the container in which the item is transported. This could be a can, a carton or a glass bottle. The packaging aid on the other hand is used to make the packaged good transportable. These aids include mainly cushioning material such as air cushions, foamed material, duct tape and other materials, which close the container. Moreover, labels and stickers are also part of the packaging aid. (Zeter, 2014)

Packaging is necessary for long transportation routes. However, packaging also plays an important role for selling, as it defines its look. Furthermore, packaging has to be used to prevent theft and manipulation. Nevertheless, the opening of the packaged product has to be easy and consumer friendly and it has to keep the item fresh and healthy. (Zeter, 2014)

Packaging can originally be found in nature before human beings created unnatural ways of wrapping goods. Coconuts, eggs, chestnuts, bananas, cucumbers and clams are good examples of natural packaging (Küppers & Tributsch, 2002). These natural wrappings are much better than the industrial manufactured packages as they are environmental friendly (Nachtigall & Wisser, 2013). Nonetheless, these products receive quite often a second, unnecessary packaging from humans – see bananas which are often wrapped with an additional cling film (Konsumpf, 2013).

Especially ‘synthetic organic polymer’, as plastic is known scientifically, is very often a subject of criticism, as it is an unhealthy softener, it contains many environmental unfriendly and toxic substances, and recycling is problematic. (Zeter, 2014)

According to Plastics Europe (2013), the worldwide plastic production in 2012 was around 288 tons. In 2009, only 7.1% or 2.1 million tons from a total of 230 million tons of plastic were recycled (Sesini, 2011). “Non-regulated landfills sited nearby rivers and in coastal areas coupled with illegal dumping, littering and ocean-based dumping have the potential to introduce plastic wastes into the oceans” (Sesini, 2011, p. 5). For this reason a great amount of plastic ends up in the oceans and contaminates the water and its sea dwellers and therefore also us human beings.

3.3.5. Plastic waste management in Europe and specifically in Portugal

All 27 European member states generated 78,883,775 tonnes of packaging waste in 2012, of which Portugal caused 1,528,181 tonnes. Since 2008 a slight decrease can be observed in the country. (Eurostat, 2014)

Five different packaging materials are used by the countries. The most recent data is from October 2013 and shows that Europe’s packaging waste is made out of 40% paper and board, 20% glass, 19% plastics, 15% wood and 6% metals. From 2005 to 2011, plastic as well as paper and board packaging has increased, while glass and metal packaging underwent a decline. Hence, plastic packaging has the highest growth rate when looking at the data from 2005 to 2011 in comparison to the other types of packaging. (Eurostat, 2014)

Looking at the rates for packaging waste in 2011, it can be stated that the European recovery rate reaches 77.3% and the recycling rate 63.6%. Portugal in particular has a recovery rate of 62.9% and a recycling rate of 58.4%. (Eurostat, 2014) The plastic demand of Portugal in 2012 can be denoted with an estimated number of 800,000 tonnes per year. Around 31% of this plastic gets recycled and the energy recovery rate lies by 20% for 2012 (Plastics Europe, 2013). Portuguese consumers generated 34 kg of plastic packaging waste per capita in 2011 of which 8 kg were recycled. Portugal positions itself with these numbers on rank 8 of the European ranking.

Recycling plastic is far more challenging and expensive than the recycling of other packaging materials. When taking a look at future projections for the year of 2015, one can see that plastic production will increase together with the gross domestic product. This means that around 5.7 million tonnes of plastic waste will, or 23%, will rise from 2008 to 2015. The main cause for this growth is the packaging sector which contributes with 24%. This trend of using more and more plastic is unbroken within Europe. Because there is no improvement in waste management as well as a regression of product design, plastic waste is going to increase as production grows in the future within Europe. (European Commission, 2013b)

In 2013, Portugal published a strategic plan called PERSU for municipal solid waste until 2020. This plan contains the enhancement of the recovery of recyclable waste. This is done through specific collection of waste to 47 kg per capita, which reflects a 53% recycling rate. Compared to current rates, it actually means for some areas in Portugal a 50% growth. Additionally, the Portuguese Environment Minister Moreira da Silva expressed the goal of doubling the waste recycling percentage from 24% in 2012 to 50% in 2020. In order to meet these goals, the country's waste collection systems and waste infrastructure has to be improved. This will be done with the help of a €320 million, which were allocated by the government as well as the European Union. (European Environment and Packaging Law, 2013)

However, Portugal is still behind the European recycling targets as Quercus refers to. This implies that the country still has to improve its system of door-to-door specific collection and additionally has to enhance the waste treatment facilities. (European Environment and Packaging Law, 2013)

Due to the estimation of having 150 million tonnes of plastic in the ocean nowadays (Knight, 2012), it can be argued that Portugal's mainland and beaches are also affected. For this reason, Frias et al. (2011) published an article about plastic and microplastics in Portugal mainland. Their research investigates "the types of debris and their size distribution; the concentration of persistent organic pollutants (POP) adsorbed to plastic pellets and the common polymers stranded beaches" (p.146). The result of their research is that plastics are able to adsorb POP, which could be dangerous for the marine environment as well as aquatic and earthly organisms that eat in nearby beaches. In detail, this means that even we human beings, who eat e.g. fish from the sea in front of Portugal, consume plastic. However, the scientists argue that they have to develop some further research. (Frias et al., 2011) Nevertheless, a problem concerning plastic waste can be directly related with Portugal, which means that plastic consumption should be reduced, if not diminished.

3.4. Degree of Service Offered in Supermarkets

The service offered in supermarkets nowadays cannot be equated with the one from the small corner shop in the 1950s. In the last 20 years, supermarkets have grown and have spread their activities. In the past, supermarkets had employees who supported the customer during the shopping with taking the payments, filling groceries, placing new products in the shelves and providing assistance in order to provide a better experience.

These days this personal service is not the most important offered in a grocery store since customers can often pay also at self-service check-outs and do not need a person anymore. Typical services offered in a supermarket today are bakeries, butchers, fish specialists, cheese dairies as well as beverage stores. However, a wide range of completely different services can be found in today's supermarkets. These services include "financial products, utilities, restaurants and catering facilities, telecommunications and Internet services, health products and pharmacies, and a number of other miscellaneous services, such as digital entertainment portals, dry cleaning and automotive services" ("Supermarket Services 2013", 2013, §1).

As the concept for the supermarket envisioned here is modelled on the typical small corner stores, not all the services offered in the big supermarket chains today have to be included. The developed supermarket is supposed to offer only food, beverages and some hygienic products. Moreover, a bakery, butcher, cheese dairy and probably a fish specialist is will be part of it. Clients can purchase freshly baked bread and pastry in the bakery and they also have the chance to buy regional cheese and meat in the butcher and cheese section, while all of those products are not pre-packaged. Beverages are bottled in glass containers, which can be exchanged through a deposit and return system.

The service interaction in this kind of grocery store between the employees and customers is much higher than in a regular supermarket since it is supposed to be a place for customers to feel like visiting a relative or friend. The atmosphere should be more like coming home and talking to people about your regular life. This ambience is also supported through the purchasing system due to the fact that the client hast to talk to someone while ordering cheese, meat, fish, bread etc.

Besides that, this system is different to the one of a regular supermarket since people can bring their own boxes or can make use of recyclable paper bags to fill in the groceries they would like to buy. This means that the entire purchasing process consists of much more interactivity than the one of a traditional supermarket.

The typical purchasing process in this developed supermarket concept will be described in the following: The customer enters the grocery store and starts with weighting the boxes he or she brought from home. The scale provides the customer with a barcode on a sticker, which has to be placed on the box. After this step, the buyer uses the containers to fill the amount needed of a product either in the brought along box or in the provided recyclable paper bags. The containers will look similar to the one in the picture above (Image 1). The fresh products such as cheese or meat can be also acquired and will be wrapped into environmental friendly paper. After the actual shopping, the customer has to go to the check-out, where one of the employees is going to weight the boxes again to deduct the tare.

Image 1: Containers

In the following section the purchasing process will be explained in a vividly manner with the help of pictures.

Take your **own containers**:
Tupperware, boxes, cases, bags etc. and if you do not have containers you can either **purchase** or **rent** them or you can use the **paper bags**.

Weight all your containers and…

… **do** your grocery shopping.

On the **checkout** everything will be weight again before you can **leave**.

3.5. Product Range

The product range for this concept is quite similar to the one of a normal supermarket. However, not all products of a hypermarket will be available due to the reason that the developed concept is a much smaller area but also due to the fact that not all products can be found without plastic packaging and from the region. Furthermore, the product range cannot be compared to the one of a discounter since special groceries can be found in the newly developed concept, which do not belong to the main product portfolio of discounters either. The products in this concept are also selected due to seasonality and if they can be found in the region since importation tries to be prevented. This means that not all products can be found all year round.

The supermarket will offer a mix between organic and conventional products. The reason for not only selling organic products is that customers with less income can also purchase goods in the supermarket since these products are usually slightly more expensive. Especially fruits and vegetables might be organic since those products will be purchased from a local farm, which is likely to have an organic production process. Nevertheless, it has to be assured that these organic products are not too expensive. Another reason for having a mixed product spectrum is that the organic concept is not well-known and accepted in Portugal.

The products are divided into 20 different categories, ranging from pasta, nuts and dried fruits to sweets and dairy products. A detailed list of those categories and further classification can be found in the table below.

The products, which will not be sold during the day or before they expiry day, will be given to a local charity named “Refood”. This non-profit organisation is an eco-humanitarian effort, 100% voluntary, realised by and for the inhabitants of a city on a micro-level. The objective of this project is to end the starvation in the neighbourhoods, currently in Lisbon. At the same time, Refood tries to end the waste disposal of already prepared food and also wants to strengthen the local community. The organisation attempts to build a bridge between the ones who have a daily surplus and the ones who have a necessity. The vision of their concept is to replicate their developed concept to all neighbourhoods of Lisbon and to other cities in Portugal as well as other European countries. At the moment, new teams are forming in many other communities such as Odivelas, Oeiras, Mafra, Montijo, Setúbal, Portalegre, Torres Vedras, Coimbra but also internationally in Barcelona, Madrid, London, Buenos Aires and Milan. If the location of the developed supermarket concept is not in one of the operating areas of Refood, it could be tried to talk to the organisation to help them to establish the same for this area. (Refood, 2014)

Category	Products
Baking ingredients	Baking powder, yeast, cocoa, coconut flakes, vanilla, rum, raisins, almonds, gelatine
Beverages	Liquor, spirits, water, sprite, coke, juices, energy drinks
Breakfast	Cereals, flakes, coffee, tea, drinking chocolate, jam, honey, filter papers, cakes, syrup, chocolate cream, peanut cream
Chemist articles	Deodorant, skin care, dental care, bath & soaps, foot care & band-aids, shave and care (male/female), sanitary paper, hair care, cotton and hygiene products
Chocolate & biscuits	Dark chocolate, milk chocolate, fruit/chocolate biscuits
Dairy products	Milk (cow, soy), yoghurt, butter, cheese, evaporated milk, quark, cream, crème fraiche
Eggs	Regional products only
Fish	Different type of fish such as gilthead, sea bass, salmon, squid, cod etc.
Flour	Wholemeal, wheat whole grain, spelt flour, rye flour, breadcrumbs
Fruits & vegetables	Seasonal fruits and vegetables from the region
Legume & Oilseeds	Chickpea, kidney beans, white beans, green beans, black beans, sesame, sunflower seeds, lentils, sardine can, squid can, tuna can

Meat	Pork, beef, poultry
Nuts & tried fruits	Cashew, walnuts, macadamia, hazelnuts, peanuts, pistachios, trail mix, dried apricots, dried plums, cranberries, figs, banana chips, apple & banana rings
Oil & vinegar	Sunflower oil, canola oil, walnut oil, olive oil, balsamic vinegar, balsamic reduction, white wine vinegar, brandy vinegar, sherry vinegar
Olives	Cobrancosa, Verdeal Trasmontana, Madural, Cordovil and Galega
Pasta	Spaghetti, spiral pasta, penne, lasagne, farfalle, gnocchi, tagliatelle, integral pasta, ribbon noodles, macaroni, spoon pasta, star pasta, vermicelli, tortellini
Spices	Pepper (black, red etc.), salt, herbs, paprika, bourbon vanilla extract, cinnamon, chili, cumin, ginger, cardamom, garlic, coriander, caraway, curcuma, lemon, lime, bay leaf, nutmeg, cloves, parsley, saffron, mustard seed, sesame, anise
Sugar	Beet sugar, raw cane sugar, vanilla sugar, sugar cubes, brown sugar, icing sugar, preserving sugar
Sweets	Chips, fruit gum, chewing gum, fruit/herb drops, lollipops
Whole grain & rice	Bulgur, couscous, spelt, sorghum, corn, quinoa, rye, wheat, barley, basmati rice, brown rice, carolino rice, risotto rice, integral rice

Table 2: Product Portfolio

3.6. Prices

The prices have to be defined in the beginning only for Portugal because the concept starts off with establishing one supermarket in the capital of this specific country. Since the developed concept is designed to expand in the future in Portugal but also in some other European countries, the prices also have to be newly developed for the other countries. The reason is that the costs for such a concept differs from country to country. An example is the rent for the supermarket building as well as the costs for logistics.

According to Pradhan (2010) there are five main factors that influence the pricing strategy of a supermarket. These factors are the business model, uniqueness of the products, the target market and demand, economic conditions as well as the competitors pricing strategy.

Figure 4: Pricing strategy

Due to the current economic situation in Portugal the prices should be as low as possible for the products, which can be found in this supermarket concept. However, the quality of the products is supposed to be high in order to please the clients and to differentiate the grocery shop from the other ones in the country. Hence, the supermarket cannot be compared with an organic one since many Portuguese cannot afford the prices there. Moreover, the products are purchased in bulks and with as little as possible packaging, which decreases the costs. The product prices can be compared with the ones from the Portuguese hypermarket retailer Continente.

To sum up, the products have to be as low-priced as possible but of high quality and have to be calculated per product individually.

3.7. Quality

According to the Oxford English Dictionary (2014), quality can be defined as “The standard of something as measured against other things of a similar kind [or as] the degree of excellence of something” (§1). This definition is extensive since it includes two features namely the characteristics of the product, which lead to satisfaction as well as the lack of failure.

In reality, the main feature involves the quality characteristics of the product, which have to meet the needs of a consumer and additionally, the product has to satisfy the same. Such needs are also related to the accessibility in the market while having a compatible price and appropriate packaging. In this developed supermarket concept, an example is to provide fresh, healthy and local olives from a farmer in the surrounding area of the supermarket. The olives are packaged in big glass containers from which the clients can purchase them in store and place them in their brought along boxes. Due to the selection of the producer, the short distance between farm and supermarket as well as the packaging, the client’s needs are satisfied. These quality aspects are mainly related with the consumer but the aspects of the retailer as well as producer have to be included as well. These product quality aspects are about the production process, logistics and distribution.

The absence of failure as the second characteristic, can be understood as inspiring the client with the reliability of the product or in more general, it is the feature of the product according to its specification. By the absence of failure in this concept, it is meant that e.g. the olives are not bad and have a good taste.

The first part of the definition also includes a comparison, which means for this concept the comparison of the products for this specific supermarket with the ones from a standard Portuguese grocery shop such as Continente, Minipreço, Pingo doce, Aldi or Lidl. (Muzzalupo, 2013)

For this concept having products of high quality is very important since this supermarket has to stand out from the conventional groceries and wants to contribute to a better environment. In order to have the best quality products, the suppliers have to be carefully selected and production as well as packaging processes have to be coordinated.

In order to receive products from the region the supermarket has the possibility to work together with local farms. One of the most well-known ways to buy locally is through

Community Supported Agriculture (CSA). CAS can be understood as “a connection between a nearby farmer and the people who want to eat the food that the farmer produces” (Henderson & Van Hen, 2007, p. 3). From this term one can make an equation:

“Food producers + food consumers + annual commitment to one another = CSA and untold possibilities” (Henderson & Van Hen, 2007, p. 3)

In other words, CSA is a mutual commitment since farmers and people share the risk and benefits. Farmers plant (or grow) the products on which the people agree on and the people on the other side support the farm financially. In fact, this is not a really new concept but nowadays many people do not know anymore from which country the product they are buying comes from. If they purchase e.g. milk in the supermarket, they do not know if the milk is from a cow in Germany and the milk got bottled in Portugal. This developed supermarket concept includes a contract with local farmers to receive fruits, vegetables, beverages such as apple juice or wine, meat, dairy products, olives etc. With the help of CSAs, the buyers in the supermarket know from which farm the product comes from and also know that the quality is most likely to be much better due to the short distance and the sustainable growing of the products since most of the farmers try to avoid unnecessary chemicals, additives and preservations.

The chosen CSA for this concept is called *Herdade do Freixo do Meio* and is located close to Montemor-o-novo in Alentejo. The farm is cultivated organically according to the European standards in order to satisfy the principles of high quality, innovation, transparency and learning. These formulated principles of the farm were an important factor for the selection since they reflect also the principles of this developed supermarket. Freixo do Meio raises black pigs from the Alentejo region, goats, sheep as well as black turkeys. Moreover, the farm is planting, according to the right season of the year, corn and vegetables. Other produced goods are olives, olive oil, olive paste, pine nuts, paprika paste, cork and soaps. This product portfolio was also crucial for the selection of this CSA. Additional factors for the selection are the location of the farm and the way of production. The farm has already a stall at Mercado da Ribeira in Lisbon and also sells their goods in other places around the region. With them, a high quality of products can be guaranteed and due to the fact that the farm is not a conventional one, offers better and more sustainable ways of packaging and transporting can be chosen.

Still, the farm cannot provide all products for this concept for which reason other regional producers are needed. *Ecofrutas* in Carvalhal is another option to receive high quality fruits from the region since they offer different kinds of apples and bears.

Other producers, which are all produced in Portugal with a high quality, could be received from *Lactogal, Delta Cafés, Sumol & Compal S.A, Cerealis, Ramirez & Cia (Filhos),* the *Sovena Group,* the *ASR group, Super Bock* and *Sociedade Central de Cervejas.*

- *Lactocal:* dairy products, milk, fruit juices, mineral water
- *Delta Café*: coffee producer
- *Sumol & Compal S.A.:* soft drinks, juices, beer, spring and mineral water, canned vegetables and tomatoes, mineral water
- *Cerealis:* pasta, biscuits, flour, biscuits
- *Ramirez & Cia (Filhos):* canned fish products
- *Sovena Group:* olive oils, cooking oils, olives, soap
- *ASR Group:* pure cane, granulated, caster, icing, light sugar and jam sugar
- *Super Bock:* beer
- *Sociedade Central de Cervejas:* beer

3.8. Location

The choice of the location for this concept plays a vital role for the general success of the supermarket. Choosing the wrong place can result in a failure of this project. In general, it can be stated that “Opportunities and risks associated with store locations are heightened by a retail business environment of rapidly evolving technological developments, changing competitive positions, altered consumer behaviour and expectations, and modified regulatory situations.” (Wrigley, 2014, Chapter 3, Introduction, §1)

Two locations are selected in which, the multi-criteria analysis is applied. The goal of this analysis is to choose one of the two listed locations according to several selection criteria. The nine factors, which will be taken into consideration for choosing the right location for this concept are the following:

1. Availability of access routes to the supermarket
2. Accessibility (train, bus, metro, road) for employees
3. Accessibility (train, bus, metro, road) for clients
4. Parking facilities
5. Cost of rent
6. Income of the neighbourhood/ Purchasing power of the neighbourhood
7. Population density
8. Characteristics of inhabitants in chosen area

9. Number, size and quality of competition

The score is computed with the following calculation:

$$Score = \sum_{i=1}^{n} Fij * Wi$$

The two chosen locations are both in Lisbon due to the fact that Lisbon is the capital of Portugal and it is also the biggest city in the country. Around 27% or 3,035,000, of the Portuguese population live in the Lisbon Metropolitan area, compared to 1,400,000 inhabitants of the urban area in the second largest city, Porto. Another reason is that Lisbon has the highest GPD in the country with 26,100€ per year, while Porto’s per capita GPD is $ 20,641. Moreover, many headquarters of multinational companies are located in the Lisbon area, which is also a sign for a higher income. (Instituto National de Estatística, 2011&2012). Furthermore, the author knows the Lisbon Metropolitan area much better than Porto.

For the supermarket concept, there are only a few possibilities with regard to the location. Due to the fact that families, trendsetters, young people and students with an average income are the target group of the supermarket, several suburbs in Lisbon can be excluded immediately. These suburbs are for example Algés, Belem, Campo de Ourique, Sete Rios or Amadora. Another condition, which is important for the choice of location, is that the supermarket has to be accessible for clients, employees and suppliers. Here, another few areas could have been excluded such as Bairro Alto, Graça and Alfama. Additionally, the price of the rent is in areas such as Avenida da Liberdade too costly for such a start-up company. In the end, it was decided to have a closer look at two different neighbourhoods namely Principe Real as well as the neighbourhood of Cais do Sodré. The reason for these two locations is that they are both in the city centre, in which many young people but also families live. Additionally, both areas are accessible, there is a good public transport connection and many people pass by on their way to work or while going shopping. In general, both areas are quite hip and trendy and many people visit those neighbourhoods.

In the table below, the ten factors, which are taken into consideration for the location analysis are listed as well as the related rating. This rate shows which factors are prioritised for the choice of the location. In the columns of the two location either amounts of a currency, percentages or a scale definition is inserted. In the scale definition excellent = 10, very good = 6, good = 4, reasonable = 2 and weak = 1; Very high = 10, high = 6, medium= 4, low = 2, very low = 1; Very suitable = 10, suitable = 6, somehow suitable = 2, not suitable = 1.

Criteria	Rate	Principe Real	Cais do Sodré
Availability of access routes to the supermarket	0.15	Very good	Excellent
Accessibility (train, bus, metro, road) for employees	0.15	Excellent	Excellent
Accessibility (train, bus, metro, road) for clients	0.15	Excellent	Excellent
Parking facilities	0.1	Very good	Excellent
Cost of rent[1]	0.15	m^2 = 7.27€	m^2 = 8.26€
Income of the neighbourhood/ Purchasing power of the neighbourhood	0.05	26,100€	26,100€
Population density	0.03	Very high	High
Characteristics of inhabitants in chosen area	0.05	Very suitable	Suitable
Number, size and quality of competition	0.15	Medium	Low

Table 3: Multi-criteria analysis

Below are two calculations for both locations while using the multi-criteria analysis:

Principe Real:

Rate x Location = (0.15x6) + (0.15x10) + (0.15x10) + (0.1x6) + (0.15x10) + (0.05x10) + (0.03x10) + (0.05x10) + (0.15x4)

= **7.9**

Cais do Sodré:

Rate x Location = (0.15x10) + (0.15x10) + (0.15x10) + (0.1x10) + (0.15x8.80) + (0.05x10) + (0.03x6) + (0.05x6) + (0.15x2)

= **8.1**

As it can be seen from the results, the difference between the two locations amounts by only 0.2. Since this is such a small amount it can be concluded that both of them are good options although Cais do Sodré will be favoured. However, it is not very easy to find a suitable locality in both areas since they are very popular amongst all kind of retail shops due to its close location to the city centre. Hence, Cais do Sodré will be preferred but if no suitable building can be found, the concept could also be located in Principe Real.

[1] After talking to a real estate agent from Remax and one from ERA, both agreed that the area in Principe Real is less expensive. Hence, they gave me prices for different kinds of buildings in both areas and I calculated the average rent per m^2. Of course, those numbers are just estimations since it depends on the condition of the rented area.

3.9. Atmosphere

Before starting with a detailed description of the atmosphere in the supermarket, it has to be clear that the main purpose of this shop is to sell groceries to customers. This means in many other supermarkets everything looks very clean, hygiene and very impersonal, which results in a disappointment of the customer and therefore minimisation of their supermarket visits (Humphery, 1998).

A study of Chen & Hsieh (2011) indicates three motives of managing and creating a supermarket atmosphere from a customer's view:.

1. "The customer-perceived factors of store atmosphere of supermarket include 6 factors in 3 categories, that is, design factors, ambient factors [...] and social factors […]
2. Store atmospheric factors have significant positive correlation with customer approach behaviours, design factors being the most significant impact among all factors. […]
3. Customers with various characteristics (including different shopping planning, time urgency, environmental familiarity etc.) have significant differences in customer perceptions and behaviours in general." (p. 10054)

These three motives are taken into consideration for the development of the atmosphere in this concept. Regarding the three categories, design as well as the ambience and social factor, it is necessary to include them in this concept.

As already mentioned in the introduction of this chapter, the supermarket is suppose to look like a newly fashioned small corner shop. This means that the design has to look like back in the days, while using a lot of wood for the interior design, an old cash box, a big shop window etc. Moreover, big glass containers with groceries inside have to be situated in shelves and also the containers for cosmetic products or cereals have to look old-fashioned. The supermarket will consist out of one room only while the checkout will be situated close to the entrance. The arrangement of the 20 different categories will depend on the actual choice of location.

The sustainable concept also has to play a significant role for the interior design and therefore furniture, painting etc. has to be chosen, which is environmentally friendly. Furthermore, the store should have a welcoming painting, which fits to the wooden shelves. Hence, the walls should not be painted in a white colour since this would look too impersonal and hygienic, instead e.g. an eggshell colour could be used.

Additionally, the lightning will be of great importance. In typical supermarkets, bright colours or even fluorescent light is used. In this developed concept, the lightning has to be less bright. Instead, a warm light colour has to be chosen to support the warm atmosphere. Nonetheless, it still has to look clean and healthy.

With regard to the social factor a small tea and coffee corner would be included in the concept, in order for people to have a chat amongst other customers or even with employees, in order to create an enjoyable atmosphere. In general, the atmosphere amongst clients and employees has to be welcoming and people should have the feeling to enter and see friends or family. The employees will be a great part of creating the atmosphere. In order to fit into the concept, they can wear casual clothes but have to wear an apron which is supposed to look a bit old-fashioned also. These aprons will have the logo of the supermarket as well as the employee’s name stitched.

The exterior design of the grocery shop should reflect the interior design, while also using wood for the name plate. Moreover, some chairs and small tables could be used in summer for customers to sit outside and enjoy a drink. Nevertheless, this will depend on the actual location of the shop since not every place might be suitable for it. Of course, this furniture has to reflect the environmentally friendly and sustainable aspect of the supermarket also.

3.10. Management and Employees

The supermarket needs several employees to be able to operate properly on a daily-basis. Several employees are needed to perform all tasks related to the daily business.

First of all, a general manager in a full-time position has to be employed. This person needs to be qualified for this position and should have previous experience in the food industry in Portugal. The main tasks of this manager would entail the following:

- Supervision of employees (including creation of work schedules, leading the team etc.)
- Supervision of store operations
- Taking inventory
- Performing administrative and human resource tasks
- Monitoring inventory
- Responsibility for the appearance of the supermarket
- Engagement of safety inspections and loss prevention
- Determination of the prices

An assistant manager is also of great importance and has to also be employed for this supermarket since this person has to help out the general manager but in general has two main responsibility areas in the supermarket. The first one is that the character is in position of the role as a purchasing manager as well as business developer. For this reason an employee with such previous experience has to be chosen. The main tasks for this job position are to be responsible for future developments, especially with regard to trends and future launches of new grocery stores, and to look for new producers to improve the product portfolio as well as to improve the relationship with the suppliers. The general and the assistant manager both have to work closely together since their tasks such as ordering new products, are related to each other.

Furthermore, several shop assistants have to be employed to serve clients e.g. assisting customers at the cheese, meat or fish counter, to refill the shelves, to assist at the checkout and to help customers with general difficulties. These shop assistants can be either trained retail saleswomen or men or also students. Preferably a mix between professionals and students is recruited in order to have permanent employees but also flexible workers. The advantage of students is that they are less expensive, easier to manage and more flexible with regard to the working schedule. On the other hand, the advantage of trained employees is that they know the business and working structure of a supermarket, they can mostly work full-time and are more responsible. For both types of shop assistants it is necessary that they can identify themselves with the concept and can communicate this enthusiasm to the clients. Moreover, both need to have an understanding and good knowledge about the offered products in the shop.

The accounting, controlling and budgeting will be performed by the autohor, the business developer. However, she has to work closely together with the general and assistant manager to understand issues and problems as well as all other concerns of the grocery store.

Moreover, cleaning staff has to be hired, who cleans the supermarket on a daily business.

The exact number of people hired will actually depend on the employees themselves since students can probably only work half time and a regular staff member full time. Two people have to be recruited for the manager position and probably between five and seven people as shop assistants. The author prefers to employ full-time workers over part-time and rather take part-time employees at a later stage to help out if people are sick or on holidays.

3.11. Image

Having a strong image is of great importance for such concept since an image can be seen as the perception people have of a business when hearing its name. “ A business’s image is composed of an infinite variety of facts, events, personal histories, advertising and goals that work together to make an impression on the public” (Entrepreneur, 2014, §1). This implies that the logo as well as the interior and exterior design, the employee’s appearance, its products and its signs have to match each other in order to have a successful image.

3.11.1. Supermarket Name

The chosen name for the shop is crucial for the image recognition of the developed concept. The title used for it can help the customer to understand the concept and raise expectations. People have a specific imagine in mind with a name, also with that of a shop. A good example is the Portuguese supermarket Minipreço. Since this name stands for low price, people expect to buy low-cost groceries there.

The chosen name has to reflect the expectations of the clients as well as be remembered and recognised easily by the customer. Furthermore, people also have to be able to pronounce the name. This is especially important for future expansions since the concept is supposed to be established in other countries in Europe, which means that people of different languages have to be able to pronounce the name.

As it can be imagined, finding a name for such a concept is not very easy, and many ideas have to be discarded. Hence, several factors concerning to the naming have to be taken into consideration. First of all, it is important to find a name that relates to environmental friendliness and not having plastic packaging. Moreover, the name should be in Portuguese language since the supermarket is located in Portugal and should reflect the Portuguese entrepreneurship. When considering opening supermarkets in other European cities, the name can still be Portuguese but should be, if possible, somehow understandable.

There were several names such as unpacked, naked, natural, remove, mercadinho, nu and unwrapped taken into consideration. In the end, I decided for a simple term namely PURE. This name is easily understandable, precise and the environmental aspect is clear also.

3.11.2. The Logo

In the same manner the name was given importance also the logo has to reflect the environmental friendly aspect and the Portuguese origin of the concept. Therefore, the material cork is chosen for the name itself since this is the most typical material from Portugal. The background has the colour green, because it represents the meaning of life, renewal, nature, harmony, freshness and environment. Additionally, a leaf is included in order to refer to the ecological topic of the concept.

Figure 5: Logo of Puro

3.11.3. Mission Statement

A mission statement generally consists out of one statement, which describes the function of a company, the operating markets as well as the competitive advantage. It can also be seen as a statement of the company's goals and its philosophy as well its businesses purpose. This mission statement is particularly important for the employees also, so they can understand the overall mission of the company they work for.

The mission statement developed for this concept includes the offered products, the environment as well as the local aspect.

"Provide the best quality groceries, cause no unnecessary harm to the environment and use the concept to support local producers and organisations."

3.11.4. Advertising Slogan

With regard to the advertising slogan, I wanted to include the topic of the environment and have therefore chosen the following:

PURO " por amor ao ambiente"

Figure 6: Logo and Advertising Slogan of Puro

Chapter 4: Marketing Plan

4.1. Introduction

As soon as an entrepreneur has found its service, it has to get to know by the public and then offered. This is better known as the marketing side of the business. A marketing plan has to be defined for this concept in order to effectively operate in a market and within a determined budget. Topics included in the plan are the promotion of the product, how and why people have to use the offered supermarket, the reasons for this service to be better and the reasons for the customer to rather spend money in this grocery store than in another one. A competitor analysis is therefore part of the marketing plan. Moreover, with the help of marketing, customer awareness can be increased and the message of the concept can be delivered. In general, the marketing plan has to answer the question if this supermarket is necessary. (Jones, 2009)

Since the concept is supposed to be implemented in Lisbon, important facts about this target market will be outlined in the following.

Since becoming a member state of the European Union in 1986, Portugal became a "diversified and increasingly service-based economy" (Central Intelligence Agency, 2014). The Portuguese government privatised many formerly state-controlled companies, especially in the finance and telecommunication sector, in the past 20 years. Since the beginning of 2002, Portugal introduced the new European currency, together with eleven other European Union states. Until the 1990's the economic growth was bigger than the average EU one but this rate decreased from 2001 to 2008. The economy shrank due to the worldwide economic recession in 2009 and contracted again from 2011 to 2013. The reason for the last shrinking can be traced back to the implementation on tax rises and spending cuts by the government in order to meet the requirements of the EU-IMF financial rescue package, which was subscribed in May 2011. A lot of emigration and unemployment is measured, which has not been recognised as high as since the 1960s. Through to exports, the unemployment rate could decrease in 2014 and an economic growth might be recognised. This is going to depend on the reduction of private- as well as public-sector debt, since this influences investment and consumption. Labour market rigidity and the budget deficit tries to get reduced by the current government, in order to be more attractive for foreign investors. So far, Portugal was able to meet the targets of the EU-IMF since the budget deficit got reduced from 10.1% of the GDP in 2009 to 5.1% in 2013, which is even 0.4% better than the assigned goal. Nevertheless, public debt increased in 2013 and is still considered as one of the highest ones in the EU. This might lead to a difficulty for the Portuguese government to regain full bond market financing since the financial rescue package will end in May 2014. (Central Intelligence Agency, 2014) According to the OECD (2014b), the economy will grow in the next couple of years due to the improving exports as well as the involvement of domestic demand while investment and private consumption are going to increase. Another prediction is that the unemployment rate will decrease but still remain high. Moreover, the inflation will stay low, which will therefore support the country's competiveness but also will probably not lead to a reduction of the debts. (OECD, 2014b)

There are several trends in the Portuguese grocery retail industry. First of all, the current value sales of the grocery retailers in Portugal decreased by 2% in 2013, while reaching 19.8 billion €. Hence, the performance in 2013 was slightly better than the year before. The factors influencing this trend are the employment rate, the declining consumer confidence and the available income. This is resulting in the importance of price and affordability by the clients, which leads to aggressive promotion strategies of the main grocery retailers in order to receive customer loyalty. One of the most used promotion strategy is the implementation of loyalty cards, which have the purpose to give discounts to the clients. (Euromonitor International, 2014)

With regard to competition in the grocery retail industry in Portugal, it can be stated that they are characterised by concentration, which is influenced through the domination of strong domestic retailers such as Sonae Modelo (Continente) and Jerónimo Martins (Pingo Doce). The former one was performing the best in 2013 since a retail value share of 19% was reached. (Euromonitor International, 2014)

The prospects in this industry in Portugal can be seen as rather positive since the government tries to overcome the economic recession in the next few years as well as the unemployment. This means that consumers have more money for spending on groceries. Nevertheless, in the near future sales are still going to decline and will not recover before 2015/2016. Another prospect is that the famous retailers will still make investments in rather small formats, such as supermarkets and discounters, than in hypermarkets. (Euromonitor International, 2014)

Since the trends in the grocery retail industry can be rated as fairly positive for the next few years and due to the fact that such a concept of a plastic free supermarket does not exist in Portugal at this point of time, Portugal was chosen as an entry market. Another reason for choosing this country is that the economy will grow in the future. Moreover, the grocery retailing industry belongs to the service sector, which is the typical industry for Portugal and therefore a potential can be seen. Furthermore, Portuguese have an increasing environment awareness and the green policies of the government also support this market entry. Additionally, Startup Lisboa can be seen as another supporting aspect for this concept as well as the fast acceptance of Portuguese towards new concepts. An example for the latter one is Mercado da Ribeira in Cais do Sodré, which is a newly developed concept by Time Out Lisboa (Time Out Lisboa, 2014), which attracts a lot of visitors.

4.2. Market Potential

According to Pride et al. (2012) the market potential can be understood as “the total amount of a product, for all companies in an industry that customers will purchase within a specified period at a specific level of industry-wide marketing activity.” (p. 159). The market potential can be defined in a currency or units and gets usually influenced by sociocultural, economic as well as other environmental factors.

With regard to sociocultural factors, an indicator for a great market potential is the demography of the country since the target group (people between 20 and 35 years) is the biggest one in Portugal. 11.4% of the total population are aged between 15 to 24 years and people aged between 25 and 54 years account for 42.2% (Central Intelligence Agency, 2014). Although having such a target group, older or younger people could also come to the developed supermarket to do their shopping. Hence, more or less everyone living in Lisbon is a potential client since everyone needs food daily. Additionally, the amount of male and female in those two focused age groups is nearly balanced and a trend recognised by the Michigan State University (2013) is that grocery shopping is not only the task of a women anymore, instead, couples share this chore nowadays.

Considering the economic environmental factors for this concept, a similar conclusion can be found. Although Portugal is undergoing an economic recession, people still have to purchase groceries. They rather spend money on food than on restaurants, clothes shopping etc. since food is an essential part for human beings to live. Although the trend towards less people in a household, 2.7 people in 2010 compared 3.3 people in 1985, can be recognised as well as an ageing population, people favour nowadays central shopping. This means, that they do not want to spend money on fuel, which is nowadays rather expensive, to do their grocery shopping in the hypermarkets, which are not situated in the city centre. Instead, they prefer doing their grocery shopping close to work or their home. (Planet Retail, 2012) This trend shows a great market potential for this concept since the location of the grocery store is in the city centre.

Other environmental factors for this concept are the nonexistence of such a supermarket in the greater Lisbon area and not even in any other cities in Portugal. Moreover, the market potential can be seen as positive when having a look at the government policies. Due to the fact that the government supports green ideas and that Startup Lisboa is an institution, which helps new companies to launch, the concept has a great potential.

4.3. Marketing Mix

The marketing mix can be seen as one of the leading ideas in modern marketing. Kotler at al. (1996) define it as “the set of controllable tactical marketing tools that the firm blends to produce the response it wants in the target market” (p.96). This marketing mix involves everything a company can do to make an impact on the service and is therefore divided into the 4 P’s, better known as product, price, promotion and place.

4.3.1. Product

Products are determined as the services and goods offered by a firm to the target market. In the case of Puro, the products are all the groceries that can be purchased in the supermarket. Of course, the quality and its freshness are of high importance for this concept. The better the products are the more satisfied a customer will be. The detailed product portfolio can be found in Table 2 (p.30). Another service offered will be the coffee or tea people can drink at the supermarket to get in contact with other clients as well as the employees. It can be also stated that there is a mix of convenience and shopping products. Convenience goods are characterised by a very limited shopping effort of a client and shopping products by investing more time for the actual purchase. A traditional grocery retail offers products, which can be easily and fast purchased but since the clients in the developed concept have to weight, fill and bottle the groceries, the shopping experience takes a bit longer and the customer invests more time to purchase the actual product.

4.3.2. Price

Pricing in the marketing mix is one of the most important aspects, which has to be considered since it is the only turnover generating aspect for the firm. There are five different pricing factors, which have to be taken into consideration for finding the right amount to be requested. These factors are competition, target group and their willingness to pay, fixed as well as variable costs, the objectives of Puro and the possible positioning strategies.

The typical pricing strategy of conventional supermarkets is the “*everyday low prices*” (EDLP) ones. However, this is not applicable for this concept since products who are locally produced and are of high quality cannot be offered at a very low price level, especially if the producers are treated with regard to payment in an ethical manner. Nevertheless, it is clear that Puro cannot offer very expensive products since Portuguese do not have a lot of money available at this point of time due to the economic recession. This implies that Puro would like to offer high quality products at a medium price. In order to do so, a mix between the premium and penetration pricing strategy has to be used. The former one is known for using high prices while offering a unique service or product and the latter one for setting the prices very low in the beginning in order to gain market share, while increasing them after receiving this share.

In reality, this means that Puro will have medium prices and might increase them to rather high medium prices. Hence, very high prices will be prevented since the products should be affordable for everyone but a distinction to a discounter has to be made.

As can be seen in the table above, which shows prices for stable foods, Puro's prices should even out between the prices of Continente and Brio but should rather try to match the ones of Continente. However, the exact prices have to be negotiated with the producers and since the transportation costs are probably less expensive than for Continente, that is importing a lot of groceries, it might be possible to easily match the prices of Continente.

	Continente	**Brio**	**Puro**
Flour (kg)	€0.40	€1.24	€0.50
Eggs (6)	€2.79	€2.60	€2,60
Olive Oil (l)	€11.98	€16.78	€12.50
Sugar (kg)	€0.99	€1.45	€1.20
Rice (kg)	€4.58	€6.29	€5.20
Carrots (kg)	€0.65	€0.80	€0.70
Apples (kg)	€1.99	€2.29	€2.10
Onions (kg)	€1.13	€1.35	€1.20
Potatoes (kg)	€2.49	€1.80	€1.90

Table 4: Product Prices Continente, Brio, Puro

Discounts will be given with the help of a loyalty card. Customers can receive such a card with their own member number. The advantage of this loyalty card is that people can receive news about the product portfolio and special offers, if they sign up for it. Moreover, the clients receive 3% per shopping as a credit note, which will be added to their client account. This credit can be discounted in a future purchase at Puro. Something else that should be included in this concept is that people have the chance to get credit for their purchasing. The reason is that this was very typical 40 years ago in the small shops in villages and cities but then completely disappeared due to the unfamiliar hypermarkets and bigger supermarkets. In order to get this familiar feeling back, customers are granted credit and can pay one month later.

4.3.3. Promotion

Kotler at al. (1994) define the aspect promotion in the marketing mix as “activities that communicate the merits of the product and persuade target customers to buy it.” (p. 97). Promotion therefore includes advertising, sales promotion, public relations and personal selling.

Since Puro is a start-up company, which does not have a lot of money for promotion available as an already established company, it is clear that the costs have to be as low as possible. The challenge of the company is to create a broad awareness with restricted resources. This implies that Puro has to focus on a narrowed user segment, which has a strong necessity for this specific service and products. In order to reach this segment different promotion strategies will be used.

Three out of the four promotion strategies will be used to market this supermarket concept. Puro will primarily focus on internet advertising since 5.2 million internet users can be recognised in Portugal who have an internet market potential (GDP*Users/million) of $119,466 million. The three most popular search topics are Hi5, YouTube and Google and the most used search engine is with around 97% Google. As can be seen on these numbers, more than half of the Portuguese make use of the Internet, while this number is still constantly and rapidly increasing. (MVF Global Customer Acquisition, 2014) Therefore, the Internet can be seen as a good medium for the promotion of this developed concept. In reality this signifies that Puro has to publish first of all its own professional website. This website has to outline the concept to the clients, while making use of a video to make it visual and therefore better understandable. Moreover, the products and related product information need to be listed as well as general supermarket information. Additionally, the website should contain a blog in which news from

Puro's management can be published but clients can also make a contribution with questions, comments and issues.

Another internet marketing tool used for this concept are social media sites since Facebook and Hi5 are the two favoured search terms. Facebook has around 3.7 million users, which means that 72.8% of the online population use this social media platform. 28% of the Facebook users are aged between 25 and 35 followed by 23% of the users who are between 18 and 24 years. No differentiation between female and male users can be made. (MVF Global Customer Acquisition, 2014) Since Facebook is such an important social media platform in Portugal, Puro has to make use of it. A Facebook page has to be created to inform the clients/followers as well as potential clients. It is important that the page is always updated and Puro has to reply to the users on a daily basis in order to use this platform as a communication tool. However, Facebook should also be used as an advertising tool since it reaches many people on a relatively low cost. The costs can be controlled through a daily or lifetime budget and "cost per thousand impressions bid (CPM) or cost per click bid (CPC)" (Facebook, 2014, §3). The advantage is that Puro only has to pay for the impressions or clicks the firm receives only until the amount determined by the management. Puro will also make use in the same form as Facebook on the platform Hi5. Youtube is a medium that can be taken into consideration in the future promotion of the company. Nevertheless, the video, which will also appear on the company's website has to be uploaded on the video platform in order for potential clients to understand the concept.

According to the Telecompaper (2013), there are 3.53 million smartphone users in Portugal, who probably even increased in the last year. Hence, it is obvious that Puro has to use this tool to advertise itself. Therefore, an application for smartphone users has to be developed in order to inform clients about news from the supermarket, its products etc. This application can be purchased for a small fee by the clients and the contacts of the owners of Puro have to be used to develop this application for a small amount of money.

Search engine marketing as well as search engine optimisation is another internet marketing tool, which could be used by the management. However, this marketing tool might be utilised in the future after a successful use of the other internet marketing strategies since it focuses on optimisation.

This alternative supermarket will also use the promotion tool public relations. It is tried to publish articles about this concept in local newspapers such as Expresso or Diário de Noticias. Moreover, an article in the well-known magazine Metro could be published as well as an advertisement. Due to the reason that this concept does not exist in Portugal, it is hoped that many different media channels such as the radio, magazines, television etc., consider it as an interesting concept, they would like to report about.

In order to make people aware of the opening of the supermarket a sales promotion, through handing out flyers, will be used. This sales promotion is supposed to encourage customers to buy the products in the supermarket. Some volunteers will be engaged to this job during the first week of the opening to distribute the flyers in front of the grocery shop and some busy and close located parts of the city such as Cais do Sodré metro, bus and ferry station or in Largo do Camões. The flyer will contain information about the concept and will also offer the possible client a discount within the first two weeks of the opening of 10% as well as a free box to fill in their first purchased goods. This sales promotion is used to attract clients into the supermarket to have a look around and to experience the concept. However, this sales promotion will be a short-term promotion tool and will be only used in the beginning. Another sales promotion with a long-term effect is the introduction of a loyalty card since people receive continuously discounts on the purchases as well as information via email or post.

In order to have an effective promotion the above mentioned strategies will be used to market the concept successfully. These activities will be summarized in the following figure.

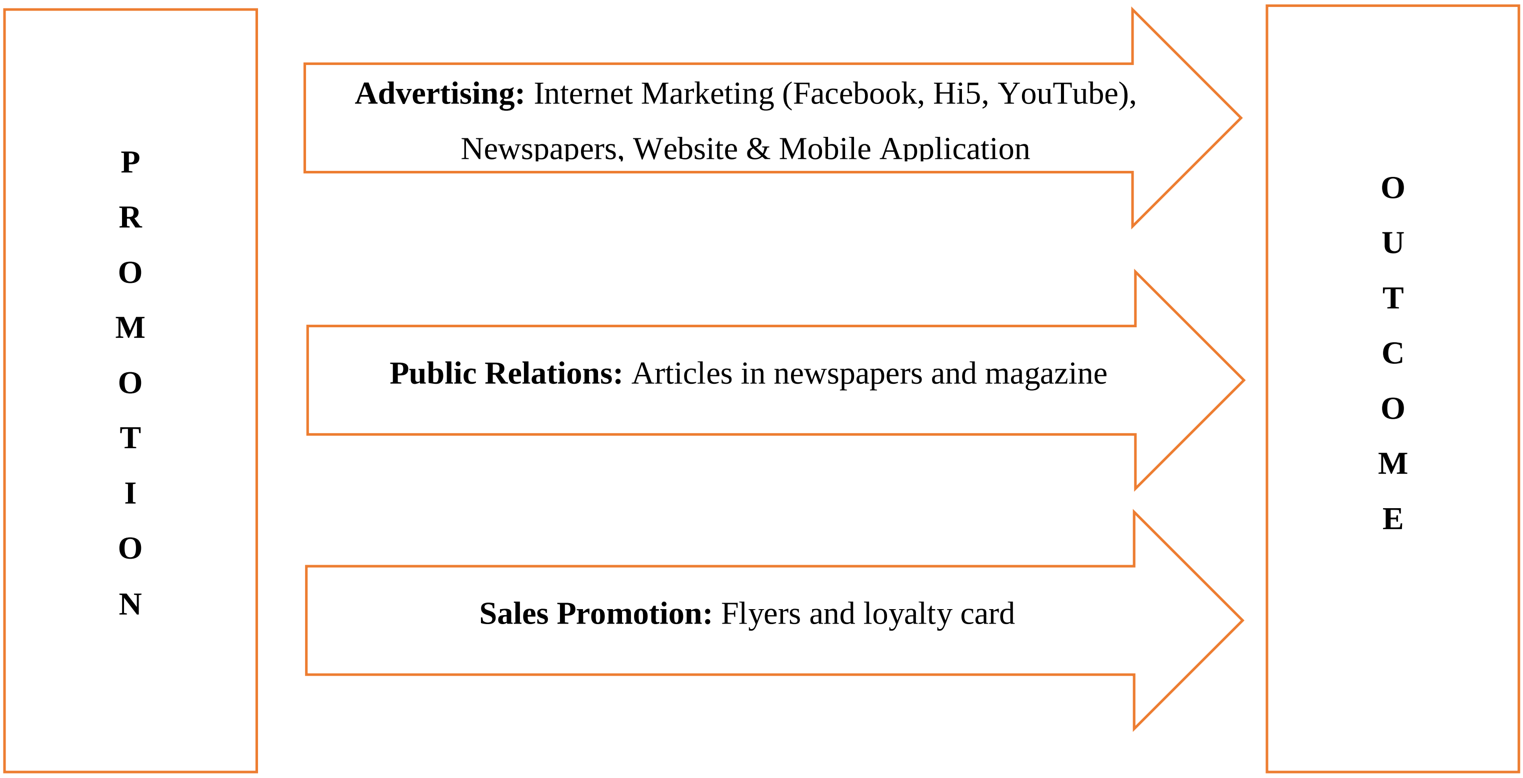


Figure 7: Promotion

4.3.4. Place

Many different countries could have been chosen for this concept in the world. However, the focus lied on Europe due to the author's knowledge. Hence, the final decision was to locate the grocery shop in Portugal. There are many different reasons for the location of Portugal. First of all, Portugal is ranked on 10th position by the World Bank Group (2014) in starting a business since only three procedures are needed. These procedures include the registration at the one-stop shop, which takes around one day and the costs involved range between 300 and 360€. Another procedure it the registration with the social security regional centre, which can be done online and less than one day is needed. The third procedure is the registration for the workmen's accident compensation insurance with a private insurance company. The startup needs one day for this registration and there are no associated costs involved. Since this concept is a startup, this is a very important ranking and due to Portugal's good performance a reason to start a business in this country. Another reason for locating the supermarket in Portugal is the easiness to do business in this country. Portugal is ranked on position 25 of 189 countries involved in the statistics (Appendix 3) and the lookout for next year even shows an increase of 0.01% points. Moreover, Portugal is ranked as a country with a high income compared to all the other countries in the world. (World Bank Group, 2014)

Other reasons for setting up the concept in Portugal are the unique and strategic location, especially when considering the goal of expansion, the highly skilled and motivated workforce, the business environment and the low costs involved for the set-up of a company. Additionally, the infrastructure is of great importance for this project. Portugal is known for its advanced communication systems as well as a well-developed air, sea and more important for this concept, land infrastructure. The country is well connected by railway and all major cities have access to highways. Moreover, Portugal is a safe country which means for an entrepreneur less risks and it is also a desirable place to live in. (Aicep Portugal Global, 2014)

In order to find the right city in Portugal only two cities were taken into consideration namely Lisbon and Porto since those two are the biggest cities with the highest number of inhabitants. In the beginning it seemed that with regard to the location prices Porto could be favoured over Lisbon since the capital has higher rent prices than Porto. Lisbon's average rent prices are €4.00 per month per square meter while the ones in Porto are between €3.00 and €3.50. In the city centre of Lisbon the rent amounts from €4.50 to €6.50 per square meter per month. (Aicep Portugal Global, 2009)

Zone 1 – Alverca / Azambuja / Carregado: €3.50 / sqm / month to €4.50 / sqm / month;

Zone 2 – Almada / Setúbal / Palmela: €2.75 / sqm / month to €4.00 / sqm / month;

Zone 3 – Loures: €3,75 / sqm / month to €4.50 / sqm / month;

Zone 4 – Montijo / Alcochete: €3.25 / sqm / month to €4.25 / sqm / month;

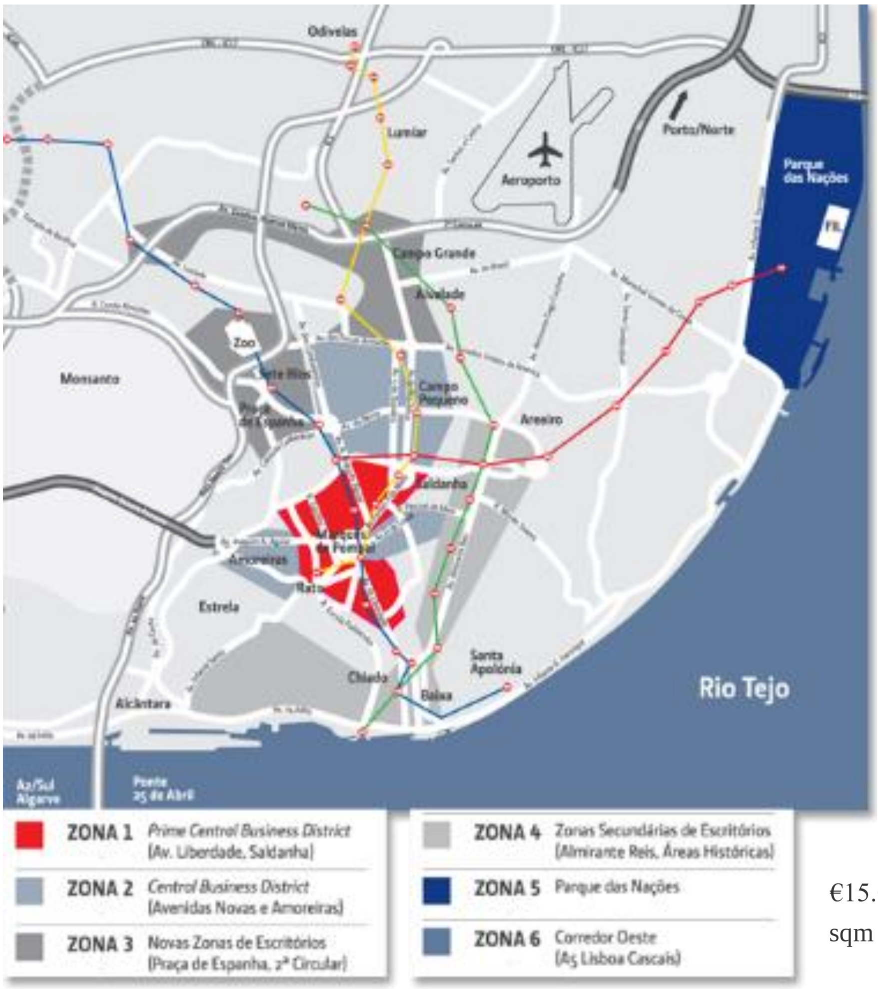
Zone 5 – Sintra / Cascais / Amadora: €4,00 / sqm / month to €5.00 / sqm / month;

Zone 6 – City of Lisbon: €4.50 / sqm / month to €6.50 / sqm / month.

Image 2: Greater Lisbon's industrial and logistics market (Aicep Portugal Global, 2009)

A similar outcome can be found for the office rent which is in Lisbon a bit more expensive than in Porto. Due to the reason that the two areas Principe Real and Cais do Sodré were considered for the final location in Portugal, Zone 4 of picture three was of main interest and in this area, the prices for an office vary from €11.50 to €16.00 per square meter per month. The office rent in Porto depends a lot on the area but lies in general between €6.00 and €18.00. (Aicep Portugal Global, 2009)

Nonetheless, the prices do not differ tremendously amongst those two cities and since people in Porto have less income, the capital is the better location. Furthermore, more people can be reached in Lisbon than in Porto due to the number of inhabitants. Moreover, Startup Lisboa, which will be a major help to start the business is located in Lisbon as well as all the other institutions, which are needed to set up this company. Locating the project in Lisbon is therefore much easier than in the three hours distant Porto. Lisbon can also be considered as the better option for this concept since it is more international and therefore more open towards new trends and ideas.



Zone 1 – Prime CBD (Avenida da Liberdade, Saldanha): €16.50 / sqm / month to €20.50 / sqm / month;

Zone 2 – CBD (Avenidas Novas, Amoreiras): €16.00 / sqm / month to €19.00 / sqm / month;

Zone 3 – Zona Emergente (Praça de Espanha, 2 ª Circular): €12.00 / sqm / month €15.00 / sqm / month;

Zone 4 – Zona Secundária (Almirante Reis, Zonas Históricas): €11.50 / sqm / month €16.00 / sqm / month;

Zone 5 – Parque das Nações: €15.00 / sqm / month to €17.50 / sqm / month;

Zone 6 – Corredor Oeste (along the A5 motorway, Lisboa / Cascais): €11.00 € / sqm / month to €13.00 / sqm / month.

Image 3: Office market in Lisbon (Aicep Portugal Global, 2009)

Principe Real and Cais do Sodré are located quite closely to each other in the city centre of Lisbon but still differ with regard to atmosphere, people and surrounding buildings. Cais do Sodré is situated close to the river side as well as the railways station and boats, which cross the Tejo river, and make a connection to some other Lisbon suburbs. The area transformed from a sailor to one of the most favoured nightlife districts with elegant bars and restaurants, original shops as well as a recently opened food court in Mercado da Ribeira (The Guardian, 2014). Therefore, this area can be seen as a trendy district of the city in which such a developed concept could fit in. The same is applicable for Principe Real, which is located north of the lookout of São Pedro de Alcantara and can be seen as an extension of the famous Bairro Alto. The most well-known places are a small garden and square, Praça das Flores, and a building from the 19th century named Ribeiro da Cunha. Furthermore, this area is known for its gay and lesbian scene as well as the most antique galleries and shops in Lisbon. (GoLisbon, 2014)

Image 4: Map of Lisbon (Lonely Planet, 2014)

In the area of Cais do Sodré one supermarket of the brand Minipreço can be found, in the street Rua da São Paulo, as well as the market with different stalls for vegetables, fruits, fish, meat, eggs and some dairy products at Avenida 24 de Julho. Moreover, several small stores with a limited selection of groceries can be found in this area, such as a Brazilian led store in Rua da São Paulo.

Image 5: Mercade da Ribeira (J.Wind, 2014)

Image 6: Minipreço in Rua da São Paulo (J.Wind, 2014)

The district of Principe Real has in the main streets no bigger supermarket and only small grocery dealers can be found. Principe Real is rather known for its restaurants and shops than for food shopping.

Image 7: Streets in the district of Principe Real (J. Wind, 2014)

Image 8: Praça das Flores in Principe Real (J.Wind, 2014)

4.4. Competition Analysis

A competition analysis is part of the development of a concept to understand the competing businesses in the operating industry. These competitors are defined by the clients since they are the ones who do their grocery shopping at other places than Puro. This analysis helps to understand the strengths and weaknesses of the competitors, to determine better strategies than the ones from the competitors and to develop entry barriers by new entrants into this market. (Ward, 2004)

This sub-chapter will first outline competitors with a similar concept and afterwards opponents operating in the Portuguese retail grocery industry, with a special regard to Lisbon and the neighbourhood of Cais do Sodré but also Principe Real.

4.4.1. Worldwide similar supermarkets and their product range

The concept of a supermarket without (plastic) packaging is somehow quite new for which reason not a lot of existing examples can be found. However, there are two supermarkets, which have a similar idea to the concept that is going to be developed for this project. The first zero-waste grocery store “In.gredients” opened in 2012 (Woodruff, 2012) in Austin, Texas and the most recent example is from Germany, named “Original Unverpackt”.

4.4.1.1. In.gredients

In.gredients was founded by the brothers Joseph and Christian Lane in 2012 in Austin, Texas.

Their business concept is not to compete with regular supermarkets, instead they wanted to create a shop that is abnormal to the typical grocery business. The brothers believe that “what’s normal isn’t healthy for our customers or the planet” (In.gredients, 2014a, §2) and since they care about the health of the community they live in as well as the local food economy, they created a new supermarket concept.

Their concept can be described as a neighbourhood microgrocer, which sells local products with pure ingredients without packaging (In.gredients. 2014b). Hence, in.gredients is not a small specialty shop, instead the supermarket is a “grocery store in scope and a corner store in scale” (In.gredients, 2014a, §1). This means that the store has around 400 different products, ranging from cheese, rice, beer, wine and nuts to cosmetically and household products (Woodruff, 2014). It is aimed to buy the products in bulks from local producers in order to have less environmental impact.

The shop itself does not look very modern and is rather a newer version of a small corner store. (Woodruff, 2014) The clients can bring their own boxes, which have to be weight and then filled with the wished ingredients. Despite that, the supermarket still offers plastic boxes for people who forgot about their packing utensils. (In.gredients, 2014a)

To conclude, in.gredients also holds different events such as acoustic recordings, comedy shows or cooking classes to contribute to the local community. Furthermore, the company donates five cents per purchase to their non-profit partner. (In.gredients, 2014c)

4.4.1.2. Original Unverpackt

Original Unverpackt is the first alternative supermarket concept in Germany, which sets disposable packaging aside. The two founders worked on this crowdfunding project together with their team for almost one year and opened the supermarket in Berlin-Kreuzberg in September 2014 (Original Unverpackt, 2014a). The founders believe that grocery shopping according to the present model is not sustainable and does not have a future. A change towards unpackaged shopping is in the long-term environmentally friendly and has an overall benefit for our society. The outcome of this is that the idea does not only addresses itself to the clients of the supermarket, who consume consciously, but also to the rest of the society who want to determine themselves what they want to purchase. Clients, who want to know where the products come from and what the product contains. Original Unverpackt is not a global player in the food industry but should be a real alternative for consumers in the future towards conventional and organic supermarkets. (Original Unverpackt, 2014b)

Original Unverpackt only uses products they have tested and sell items, which are of high quality. They do have a lot of organic products but also offer conventional groceries since they want everyone to contribute to environmental friendliness. A wide range of natural finish drugstore articles, which can be refilled, are available in the supermarket. In order to be a real alternative, a wide product range can be found in the store. The owners try to buy most of their products from the region Berlin-Brandenburg and usually, these items are delivered in returnable containers or environmental friendly papers. (Original Unverpackt, 2014b)

In order to purchase the products in the store, the clients have the possibility to bring their own clean containers, use recyclable paper bags or can rent boxes. All groceries in the store are unpacked. For this purpose everything is either loose or in bulk bins. Bulk bins is a dispenser system, from which the personal containers can be filled with. (Original Unverpackt, 2014b)

The founders work together with zero-waste-experts and consult food professionals when having issues. With regard to hygiene regulations, Original Unverpackt works closely together with the German health authority, to match the guidelines and just recently started a franchising concept but only for the German market.

4.4.2. Portuguese competitors

Eight main Portuguese competitors can be identified for this concept. These are discounters, hypermarkets and normal grocery retailers. Moreover, two more individual opponents of Puro were also found in the city centre of Lisbon. All competitors are evaluated by their number of shops in Portugal as well as Lisbon, their location, their product portfolio, pricing strategy, type of supermarket, environmental awareness and their competitive advantage. After the individual analysis a table is given to get an overview of the Portuguese main competitors.

4.4.2.1. Aldi

The German founded discounter Aldi has 37 shops in Portugal while six of them are located in the area of the capital. These six supermarkets can be founded in the suburbs of Lisbon and not in the city centre, which is a typical location strategy for Aldi. Hence, Aldi Alfragide is the closest one to the possible location of Puro. The company's product portfolio is, compared to a traditional supermarkets, limited since Aldi's strategy is to have all important products but not a various selection of them. This is also reflected in the pricing strategy of the retailer since low prices are offered for all products. These prices can be explained through much easier logistic processes due to the low number of products as well as the absence of a detailed marketing strategy. Aldi has some regional groceries in its stores, mainly for bread, meat and fruits and vegetables. Moreover, the discounter offers organic food from the German brand GutBio. (Aldi, 2014a)

4.4.2.2. Jumbo

Jumbo, which belongs to the French international retail group, Groupe Auchan SA, is nowadays present in 13 countries while having 16 shops in Portugal. Two hypermarkets are located in the suburbs Amadora, Carnaxide and Amoreiras of Lisbon, without a real proximity to the city centre. Hence, Amoreiras is the closest one the Puro's location. Jumbo has a wide product range with national as well as international brands and some local produced products. This supermarket also offers prices on a discount level and tries to adopt its strategy to the local markets. The group has a focus on environmental awareness on an average level and just recently gave up on their free plastic bag distribution, while offering reusable alternatives. (Groupe Auchan, 2014)

4.4.2.3. Lidl

While operating in 20 different countries, Lidl is one of the most well-known discounters in Europe. 210 and therefore many more shops than of their direct European competitor Aldi, can be found in Portugal. Nine of them are located in the greater Lisbon region and two of them in the city centre in the area north of Graça. The discounter favours national products not only with regard to agricultural products but also with textile, electronics etc. The product portfolio is similar to Aldi but a few international brands are in stock. The pricing strategy is also the one of a discounter. (Lidl, 2014)

4.4.2.4. Minipreço

The Portuguese supermarket Minipreço has the biggest market share in the country with 569 shops. 48 of them are located in the area of Lisbon while several are situated in the city centre. Minipreço Praça das Flores in Principe Real as well as the one in Rua de São Paulo can be found in the heart of Lisbon. All shops have a great access and are located in popular neighbourhoods. The product portfolio is characterised by the introduction of new products with the best quality for the most competitive price. Furthermore, Minipreço offers white brands such as Dia, AS and Bonté but also try to use national products. As all the other competitors, Minipreço outlines it social responsibility but cannot be compared with the one of Puro. An appropriate example is the free distribution of plastic bags. (Minipreço, 2014)

4.4.2.5. Continente

The hypermarket Continente belongs to the biggest retailer in Portugal, Sonae Distribuição, with in total 196 sites in the country. Five supermarkets are located in Lisbon, while the closest ones to the city centre are in Saldanha, Defensores de Chaves and Campo Grande. The hypermarket offers many brands as well as national and organic products as well as many other items amongst typical groceries. Continente advertises itself as offering the best products at the best prices and a close service to the customers. With regard to the environmental awareness of the company, no information were found. (Continente, 2014)

4.4.2.6. Pingo Doce

Pingo Doce, which belongs to the Portuguese group Jéronimo Martins, owns 380 supermarkets in Portugal of which 44 are situated in Lisbon. Two of them are located close to Puro, namely one at the train station in Cais do Sodré and the other one at Largo do Rato. However, both are relatively small in their size and can therefore be compared with the supermarkets of Minipreço. The supermarket offers international brands as well as white brands. In general, national products are favoured, especially for brad, fish, fruits, vegetables and meat. Pingo Doce wants to be the best supermarket chain in Portugal while offering high quality products at a competitive price. Additionally, the chain’s goal is to have a trustworthy and long lasting relationship with its clients. The supermarket also offers ecological products from their own white brand. The company has also undertaken many actions to contribute to a better environment, mainly through consuming less energy, water and gas as well as through the improvement of better logistical processes. Hence, no significant attention was laid on the products and their packaging itself. (Pingo Doce, 2014; Jéronimo Martins, 2014)

4.4.2.7. Intermarché

This commercial French supermarket is part of Les Mousquetaires and has 228 shops in Portugal of which five can be found in the greater area of Lisbon. However, none of those five are placed in the city centre. Intermarché stocks products from international as well as national brands, while the company strongly supports and favours national products. Moreover, the chain drives the development of regional economies and wants to create a basis of sustainable agriculture. Furthermore, the French supermarket facilitates the access of national products to its clients while providing a good quality at small prices. With regard to environmental protection no information can be found on their website. (Intermarché, 2014)

4.4.2.8. Brio

Brio is a Portuguese led organic supermarket with five stores in Lisbon, while all of them are situated in the centre, namely in Campo do Ourique, Carnaxide, Chiado, Estoril and Picoas. The supermarket offers all kinds of organic food and beverages as well as drugstore articles. Brio favours national products of high quality. However, due to the reason that the products are organically produced, the prices are much higher than in any other Portuguese supermarket. The grocery retailer’s philosophy is to stimulate the positive effects of organic agriculture during the production and distribution. Nonetheless, no environmental projects can be found on their website although it is assumed that the company works closely together with the producers in order to receive sustainable products. (Brio, 2014)

4.4.2.9. Mercado da Ribeira

Lisbon's most well-known market can be found in Avenida 24 de Julho, close to the train station of Cais do Sodré. The market is divided into two parts of which one consists out of 31 small restaurants and the other one of stalls, which provide different kinds of food. These groceries include fresh fish, vegetables, fruits, meat, organic products, gourmet products, eggs, bread and cakes. Many products are from the region or greater Portugal. Since many stalls, especially the ones who sell fruits and vegetables, buy their products from a wholesale market, a lot of the groceries are also imported from Spain. As already mentioned above, Herdade do Freixo do Meio, has its stall at Mercado da Ribeira and sells its organic products at this location from Thursday until Saturday. The other stalls mainly operate from Monday until Saturday. (Câmara Municipal de Lisboa, 2014)

4.4.2.10. Small Corner Shops

All over Lisbon and its city centre, many small corner shops can be found. These shops have a small product range and usually sell some fruits and vegetables as well as urgent and basic products such as milk, sugar or bread. Usually, people use these shops if they have forgotten something at the supermarket or due to the reason that the supermarket is already closed. However, the shops charge in general more than a normal supermarket, which is related to the long opening hours (until midnight). Moreover, the small corner shops cannot be seen as a direct competitor of Puro since one cannot buy all the groceries there. (own observation)

	No. of stores in the city centre	Product Portfolio	Origin of Products	Pricing	Environment Awareness	Competitive Advantage
Aldi	1	Mainly groceries, drugstore articles, electronics, household goods	Mostly European as well as some national and organic products	Low budget	No information	High quality for a small budget
Jumbo	0-1	Groceries, drugstore articles, electronics, household goods	Mostly international as well as some national products	Low budget	Some environmental awareness	Belongs to Groupe Auchan, wide range of products
Lidl	2	Mainly groceries, drugstore articles, electronics, household goods	Mostly European products but try to favour national ones	Low budget	Some environmental awareness	High quality for a small budget
Minipreco	48	Mainly groceries, drugstore articles, household goods	Many national as well as some international products	Most competitive pricing, low budget	CSR but no statement about environmental awareness	Introduction of new products with the best quality for the most competitive price, close location to customers
Continente	3	Groceries, drugstore articles, household goods	International, national and organic products	Best prices	No information	Best products with best prices, all kinds of products can be found
Pingo Doce	>50	Mainly groceries, drugstore articles, household goods	International and national products	Competitive pricing	Some environmental awareness	Number and location of stores, product portfolio
Intermarché	0	Groceries, drugstore articles, household goods	International but high focus on national products	Small prices	No information	National products, part of Les Mousquetaires
Brio	5	Groceries, drugstore articles	European (mainly German) and national products	High prices	No information	CSR, only organic products, strategic locations
Mercado da Ribeira	1	Groceries	International, national, regional and organic products	Small prices	No information	Local stalls, freshness of the products, proximity to clients
Small Corner Shops	No information	Groceries, drugstore articles	International and national products	Medium prices	No information	Proximity to clients, opening hours

Table 5: Overview Competitor Analysis

As can be seen from the table above, with regard to the location only three supermarket chains can be seen as direct competitors. These are Minipreço, Pingo Doce and Mercado da Ribeira since all of them have stores close to the favoured neighbourhood of Puro. Since these three grocery stores are already known by the inhabitants, they are most probably favoured because clients know what to expect. Nevertheless, Puro can gain market share after clients started to understand and use the concept. In the map above, the competitors are outlined in order to understand their exact location.

Image 9: Map Cais do Sodré Competitors (Google Maps)

Image 10: Map Principe Real Competitors (Google Maps)

Most of the supermarkets try to engage with environmental issues but none of them is doing it through changing the packaging of their products, instead they do it as many other companies, through e.g. less energy consumption, optimisation of transport and so an. Similar supermarkets, which care about the wrapping of products can only be found outside of Portugal for which reason they are no competitors for the Portuguese market. They can be important for a future extension of the concept to other countries but are not of importance for this stage of the concept.

The product portfolio of all supermarkets can be compared with each other since all of them offer similar products. However, the smaller stores, which are mainly located in Lisbon’s city centre have less selection. Puro will not stock household goods or electronics, which can be seen as a disadvantage compared to the opponents. However, Puro’s clients will visit in order to buy their groceries and some drugstore articles.

Most of the supermarkets favour national over international products, which can be seen as a consequence of having shorter distances in the transportation and therefore less associated costs in logistic. Intermarché is the supermarket which outlines the most its national product origin as well as involvement in the sustainable agriculture business. Therefore, this supermarket can be seen as the biggest competitor with regard to this issue.

The pricing strategy of all competitors is more or less the same, except for Brio and the small corner shops. All of them try to offer high quality products for a small amount of money. However, the cheapest discounters are probably Aldi, Lidl and Minipreço.

The competitive advantages differ from chain to chain. Hence, the discounters want to offer the lowest prices while offering high quality and Pingo Doce and Minipreço try to be as close as possible to their clients.

To conclude, Minipreço, Pingo Doce, Brio and Mercado da Ribeira can be seen as the main and direct competitors of the developed concept. All of them due to their location and the first two also due to their level of awareness in Portugal. However, people who will purchase their products in Puro have a high environmental awareness and probably also favour organic products wherefore many people use Brio as their supermarket. Mercado da Ribeira is also one of the main competitors due to its location as well as product portfolio. People who want to support national products and their region rather use this place to buy their groceries since they know where the products come from.

4.5. SWOT Analysis

A SWOT analysis is conducted in the following part in order to identify the strategic factors of Puro. In general, the analysis identifies the internal strengths and weaknesses and external opportunities and threats. Moreover, this analysis recognises the competences of the concept but also outlines the market opportunities, which cannot be used at this moment but might be of great importance in the future. (Wheelen & Hunger, 2008)

4.5.1 Strengths

The supermarket concept has several strengths, which are outlined in the table but in more detail in the following. First of all, the developed concept of Puro can be recognised as a niche supermarket since no similar grocery shop exists in Portugal. Due to this lack and people's environmental awareness, the role of a niche player can be seen as a strength. Furthermore, the applied competitive pricings strategy and therefore affordable products for more or less all inhabitants in Lisbon is a strength. Brio, as one of the main competitors, cannot price its products low due to the organic aspect, which results in a much smaller client potential. Puro on the other hand, with its mix of organic and conventional products as well as the cooperation with local producers has a much more competitive pricing strategy. Additionally, Puro provides the customer with a unique shopping facility and different atmosphere to all the other already existing grocery stores. Another identified strength for this concept is the strategic location, in the heart of Lisbon, and therefore close to its customers. Moreover, Puro's workforce will have the specific knowledge to satisfy the needs of its clients. Due to this small size firm, not a lot of workforce is needed, which results in lower costs and can therefore be seen as a strength for this startup. Another strength is the high quality of products, which cannot be compared with the ones from a traditional supermarket. The products are locally produced with regard to the dependence of the season and therefore have a shorter way of transportation, which results in fresher groceries. Furthermore, the quality is higher through the organic and therefore more sustainable way of production. Another strength is the ease of adaptability of Puro. Due to its small size and close relationship with its suppliers, customer wishes can be easier fulfilled and new market trends considered.

4.5.2. Weaknesses

As Puro being a startup several weaknesses can be identified mainly due to the introduction of this new concept. First of all, the supermarket has no existing client base compared to its competitors. Customer acquisition needs some time and an unknown company is unable to possess this client base. Furthermore, no market awareness can be recognised due to the same reason. People are not aware of this concept since it did not exist before. Another weakness is the limited variety of brands and a small selection of goods. Since Puro wants to work together with local producers many brands might not be known due to the producers' small size. Moreover, Puro is a small supermarket which cannot offer as many different products as a hypermarket. This can be seen as a weakness since many clients favour a broader selection of groceries. Being a niche player can as already be described a strength but can also result in a weakness since people might not want to use this supermarket. A reason could be the additional effort for buying the groceries with regard to time. People do not only put the products in their basket or trolley as in all the other existing shops, instead they have to weight and package their goods on their own. The last mentioned weakness is the involved costs of the concept. Since it is a startup, Puro has to rely on investors, the bank and other institutions to be able to have a liquid cash flow.

4.5.3. Opportunities

The Portuguese open mindset can be seen as an opportunity for the concept. In the past, the inhabitants of Lisbon were open towards new concepts and honoured new ideas. This could help to spread the word about Puro and could result in demand for such a supermarket in other cities in Portugal. In general, it can be recognised that the demand of alternative supermarkets in Europe as well as outside is quite high because many alternative grocery shops opened recently in other countries. This opportunity could help to fulfil the wish to open this developed supermarket outside of Portugal. Furthermore, the need of buying food is an opportunity for this concept. People have to eat to live, which means supermarkets are always required by human beings. Changes in consumer behaviour is another opportunity indicator. Many people think more sustainable and want to contribute to a greener way of living. This concept gives them the chance to do so. Moreover, the governments are aware of the fact that environmental protection has to increase. While starting e.g. campaigns people become aware and might change their traditional way of grocery shopping. Another opportunity is the increasing awareness of a healthy lifestyle, which can be recognised in many cities all over the world. This might also help Puro to have more clients. With regard to the business itself, this developed paper gives the basis to open the same supermarket in other countries, e.g. through franchising.

4.5.4. Threats

Certainly, threats can also be identified for this project. Due to the current economic crisis in Portugal, which is supposed to continue, the concept could fail or is not honoured by the people. Another threat are the possibility of having disloyal clients who might not be satisfied with the products and service or who do not become repeat customers. Additionally, the dependence on a few suppliers and probably the difficulty of finding new ones can also be seen as a threat for Puro. If the suppliers are not in time, the quality of the products is not good enough etc. could result in big problems for Puro. Furthermore, the competition of the traditional supermarkets can be a threat but also if a similar supermarket would open close to Puro's location. The last identified threat is the continuing decrease of income of the Portuguese. Due to the reason that the products in Puro are more expensive than in Aldi, Lidl or Minipreço, people could favour to go to these stores, which results in less profit for Puro.

Strengths • Niche player • Competitive pricing and affordability of products • Unique shopping facility and atmosphere • Strategic location • Low and well-educated number of workforce • High quality products from the region • SME with high adaptability	**Weaknesses** • No existing client base • No market awareness • Limited variety of brands and selection • Niche player • Time consuming • Involved costs
Opportunities • Portuguese mindset • Increasing demand of alternative grocery retailers • People need to buy groceries • Changes in consumer behaviour • Increasing demand of environmental protection • Increasing awareness of healthy lifestyle • National and international expansion through franchising	**Threats** • Financial recession • Disloyal customers • Dependence on a few suppliers • Competition • Trend of decreasing income

Table 6: SWOT analysis Puro

Chapter 5: Methodology

An adequate research method has to be chosen for this concept development project to be able to understand the need for such a supermarket in Portugal. In order to comprehend this need, the most appropriate methodology is a survey for which reason a quantitative research has to be conducted since this “research focuses on gathering numerical data and generalising it across a group” (Sibanda, 2009, p. 2). The rapid speed of collection, a faster analysis as well as the generalising to the whole population, in comparison to qualitative research, are other reasons for this choice. However, there are also some negative aspects related to quantitative research such as the limitation to analyse answers or the possibility that the questioned participants do not characterise the whole population. Hence, the positive aspects outweigh the negative ones and since this method is not costly, compared to other ones, the qualitative research method has been chosen.

The chosen study design for this concept are questionnaires, which are a “self-reported data collection instrument completed by research participants” (Christensen, Johnson & Turner, 2011, p. 89). The reasons for this choice are that that the outcome is aimed to represent a greater population and general statistical conclusions can be drawn. Furthermore, all kinds of different inhabitants of Lisbon can participate. In fact, more people can be consulted than in interviews and therefore a more representative result can be given. Another reason for not choosing interviews is that they are more time consuming and it is possible that the participants are not as honest as they would be in filling in a questionnaire. As the questionnaires are conducted anonymously, the respondent has the chance to write and fill in what he or she thinks without facing any consequences and without feeling inhabited. With the help of the collected data, it can be understood if the concept is feasible.

The questionnaires will be distributed online through SurveyMonkey since the concept is addressed to younger people. Veal (1997) invented a formula to calculate the representative sample size of a survey. He has the opinion that “the absolute size of the sample” (Veal, 1997, p. 288) is important “regardless of the size of the population” (Veal, 1997, p.288). In order to have a valid sample size, around 100 questionnaires have to be conducted and analysed. The survey was conducted in February 2015 with the help of SurveyMonkey, which is a provider for “web-based survey solutions” (SurveyMonkey, 2015). The link of the survey will be published on Facebook. The link was also sent to the Start Up Lisboa Facebook site in order to receive more respondents.

The questions asked in the questionnaire are either open, closed or likert scale questions. The latter one represents e.g. a five category scale that “consists of two parts: a declaration statement and a list of response categories ranging from” (Peterson, 2000, p. 75) for example “never”, “1-2 times, “3-4 times” “more than 5 times”.

The survey is assessed as a descriptive analysis to outline the main features of the data in the study. The main features deliver basic summaries of the sample and measures. “Together with simple graphics analysis, they form the basis of virtually every quantitative analysis of data” (Trochim, 2006, §1). In order to evaluate this descriptive analysis efficiently, the software SPSS is chosen as it helps to generate graphics and analysis of the data. With the aid of SPSS, visuals such as diagrams, bar graphs and pie charts can be created. This helps to visualize the outcomes and subsequently promote effective comprehension. In order to receive the information, the questions have to be inserted as scale, ordinal and nominal variables.

Chapter 6: Secondary Research Results

More than 100 people answered the questionnaire of which the first 100 were analysed due to the reason that SurveyMonkey analyses for free only the answers of 100 respondents.

The first three questions of the survey deal with the demographics of the respondents, including their gender, age and country of origin. These questions were asked to receive a picture of the participants and to see if the main target group would visit the developed supermarket concept in this paper.

Regarding the respondent's gender it can be stated, that there is nearly a balanced outcome since 53% of the questioned people are females and the remaining 47% are male (Appendix 4). Nearly half of the respondents are aged between 18 and 25 years followed by of the age group of 26 to 35 year olds. These two age groups contribute with 87% to the total respondents. 6% of the questioned people belong to the 46 to 55 year olds and 5% to the 36 to 45 year olds. One person who answered the questionnaire is aged under 18 years (Appendix 5). Moreover, 85% of the ones who participated in the survey are born in Portugal and the remaining 15% have another nationality. Most of them are Angolans, followed by Brazilians and Germans as well as Mozambicans, Jordanians, Costa Ricans, Spanish, French, British, Romanians and Russians (Appendix 6).

The first question asked concerning the respondent's grocery shopping behaviour is "Are you the person who does the regular grocery shopping in your household?". This question is asked to understand if the respondent is a regular supermarket visitor. 68% of the participants of the survey answer in the affirmative. The remaining 32% are not the regular grocery shoppers in their household.

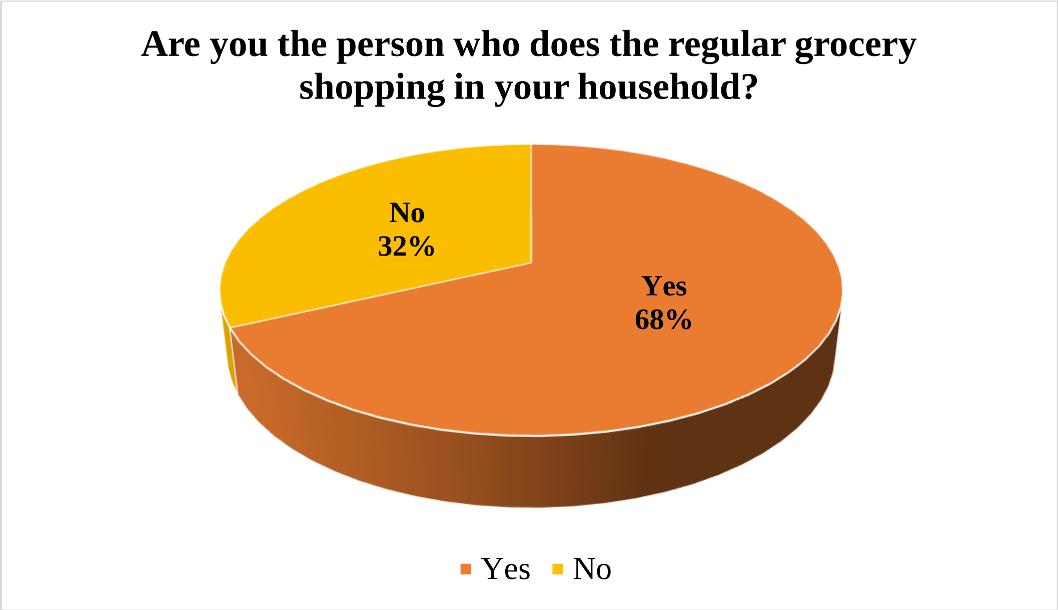


Figure 8: Regular grocery shopper

The next question asked in the survey deals with the time one needs to do his or her grocery shopping. This question is asked to understand if the respondents would visit the developed plastic free supermarket concept, which is more time consuming. In general, the author would like to know with this question as well as the next one, how fast the buyer should be able to purchase the products in the developed concept. Meaning, to find solutions of how to fasten up the buying process if time is a crucial factor. Since over half (64%) of the participants see time as a vital factor, solutions have to be found to disburden the shopping experience.

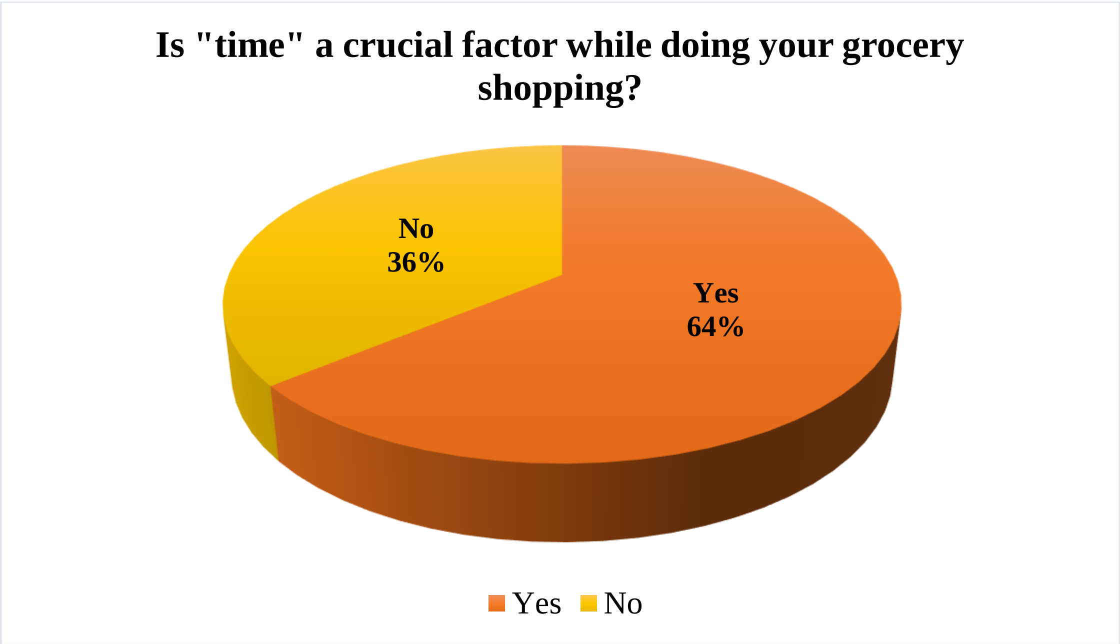


Figure 9: Time to do grocery hopping

In order to understand the factor time in depth, one more question is asked, which deals with the average time spend in the supermarket. It can be seen in the above figure that over half of the respondents spend on average 16 to 30 minutes in the supermarket, followed by 27% who need 31 to 45 minutes for their grocery shopping. 8% of the people who filled in the questionnaire buy their groceries in 0 to 15 minutes, 7% need 46 to 50 minutes and 5% who spend more than one hour in the supermarket. The average amount of time spend in the supermarket is 29.76 minutes.

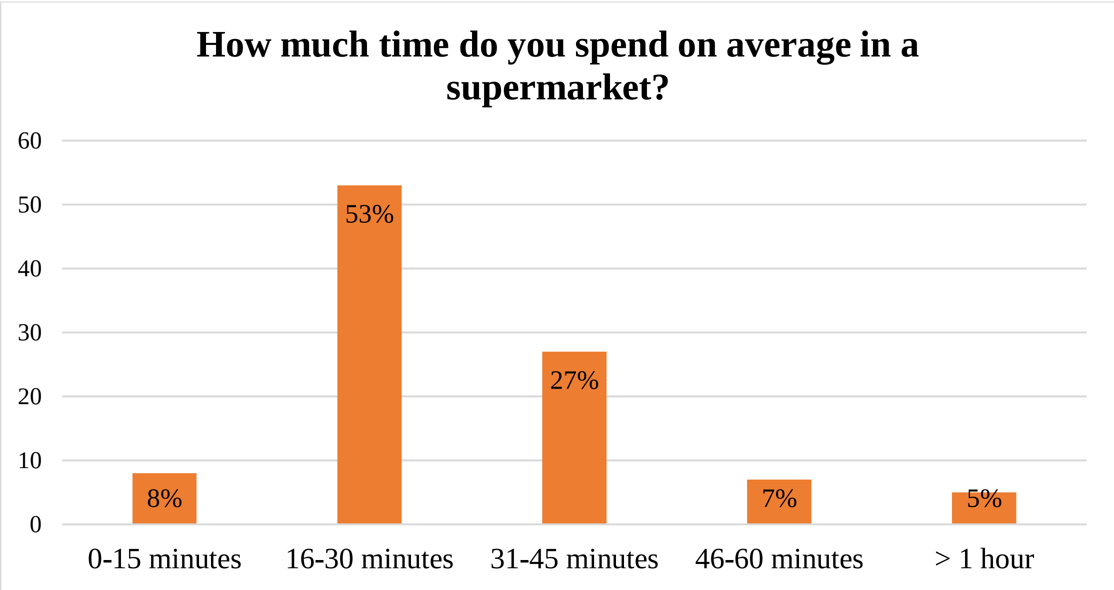


Figure 10: Average stay in the supermarket

In order to receive a better overview of the competitors in Portugal and the consumer's favoured supermarkets, it is asked how often the respondents do their grocery shopping in all the supermarkets in Lisbon. They have to select between very often, often, sometimes, rarely and never. All the main supermarkets are included in the list as well as the market in Cais do Sodré and the small corner shops. It can be concluded that Pingo Doce and Continente are the most frequent visited shops used by the respondents, followed by Lidl, Minipreço, small corner shops and Jumbo. Intermarché, Aldi, Mercado da Ribeira and Brio are rarely or never used by the participants.

Supermarket	Very often	Often	Sometimes	Rarely	Never
Aldi	1%	3%	5%	15%	76%
Jumbo	5%	8%	17%	36%	34%
Lidl	4%	14%	34%	40%	8%
Minipreço	7%	17%	21%	29%	26%
Continente	35%	26%	22%	14%	3%
Pingo Doce	36%	37%	13%	12%	2%
Intermarché	2%	6%	11%	27%	54%
Brio	1%	1%	1%	9%	88%
Mercado da Ribeira	3%	0%	2%	13%	82%
Small corner shops	7%	13%	27%	25%	28%

Table 7: Supermarkets in Portugal and respondents visits

The following question asked in the survey is included to figure out if the participants could imagine doing their grocery shopping in Puro, the developed supermarket concept. The idea of this shop is explained in the beginning of the survey to let the respondents know what the concept contains. 83% of the respondents evaluate the concept in a positive way due to the reason that they answered this question with yes. The comments received for this question are that people would not go to the developed concept if they just need a couple of groceries quickly. An additional comment is that they would rather visit the shop for doing their weekly shopping. Moreover, they might not go because they believe that such a supermarket does not have a strategic and easily accessible location. There are also some respondents who do not have enough patience to do the shopping in such a supermarket and see the transport of the goods as a main issue. It is also stated that the time aspect is a concern as well as the reason that they cannot imagine such a grocery store since it does not exist yet.

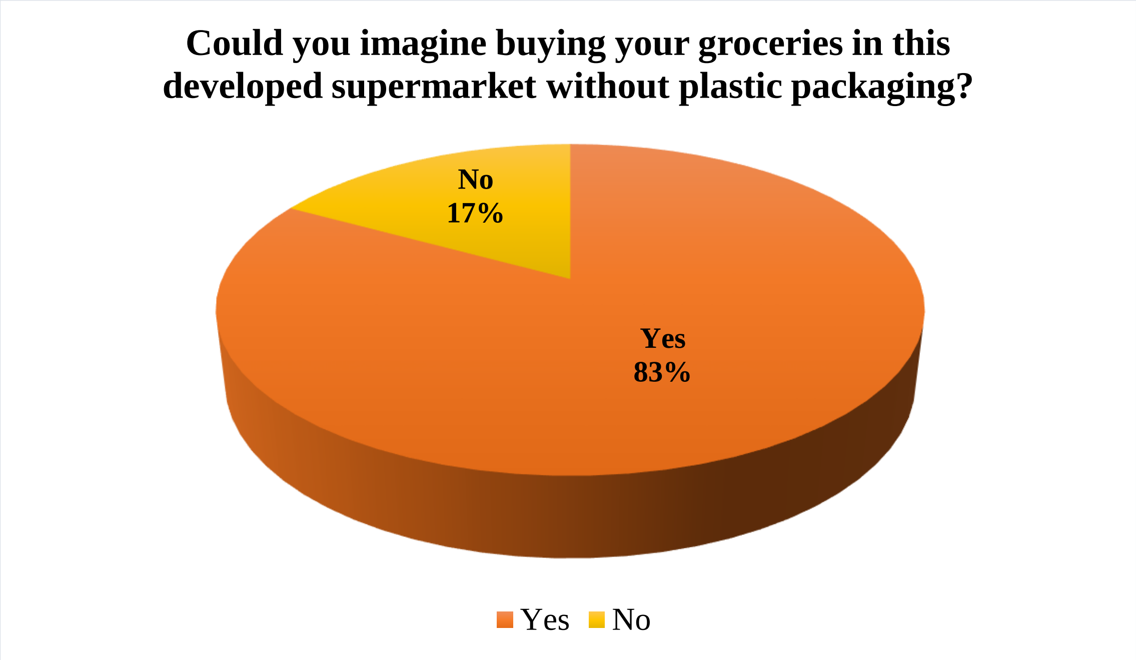


Figure 11: Feasibility of the developed concept

The next question "Going to this developed supermarket concept is more time consuming than going to a traditional one. Is this a reason for you not going there?" is asked to approve or disapprove the developed idea. The answers show that compared to the last question 6% less of the respondents would visit the supermarket since 23% see the time factor as an issue of not going to Puro.

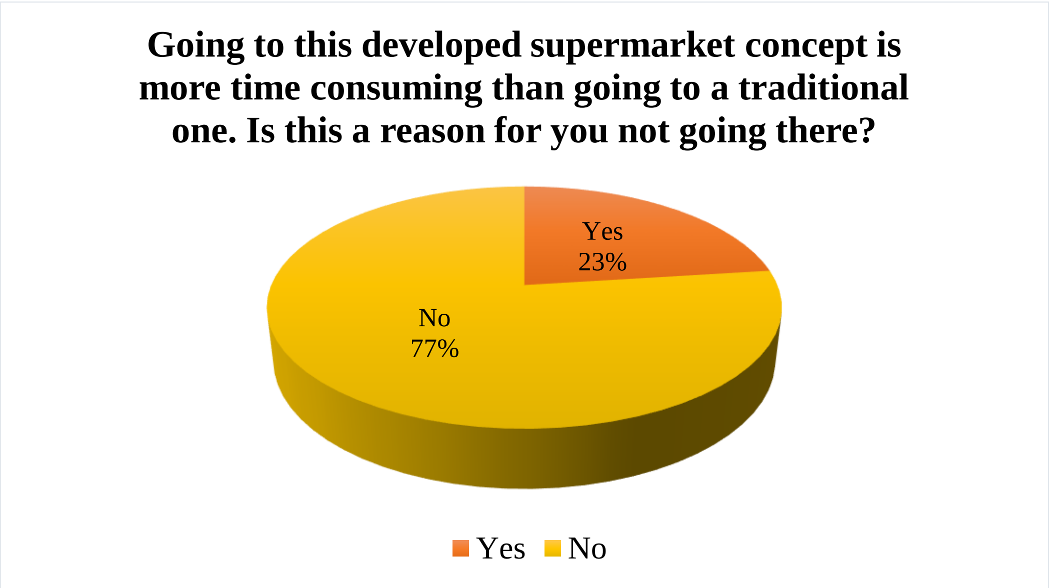


Figure 12: Developed supermarket concept and time aspect

In order to understand the client's needs when visiting a supermarket, it is asked which factors are more or less important for the clients while being in the grocery shop. Pleasant light is the most important factor for consumers, since nearly 91% rated it as very important or important. This is followed by a family atmosphere in the supermarket because 26% rate this factor as very important and 58% as important. Brightly colours and conversations with the employees have a mean of respectively 2.68 and 2.72, meaning that the respondents rate these factors between important and less important. Being able to drink a coffee in the supermarket has no significant importance since more than half of the participants rate this factor as less or not important.

	Very important	**Important**	**Less important**	**Not important**
Pleasant light	41%	50%	9%	0%
Brightly colours	8%	33%	43%	16%
Family atmosphere	26%	58%	14%	2%
Drinking a coffee	3%	24%	30%	43%
Conversations with the employees	13%	29%	30%	27%

Table 8: Impotency of different factors found in the supermarket

Chapter 7: Conclusion

In order to find a solution to overcome the plastic waste issue in Portugal, a supermarket concept was developed, which integrally abstains from plastic packaging of the groceries. This mainly sustainable entrepreneurial idea was discussed in depth in this business development concept paper. The concept can also be understood as a responsible as well as women entrepreneurship idea.

Since too much waste is generated worldwide, the environment is harmed, which can also be seen at the coastlines of Portugal. This plastic waste that is washed up on land, comes very often from the packaging of goods and therefore also from the packaging of groceries. This plastic packaging of food is very common and in most of the cases not necessary and could be avoided through more environmental friendly packaging or no packaging at all.

The decision to establish the business of a supermarket without plastic packaging in Portugal was easily made due to the author's presence in the country. It was also checked if such a supermarket can be legally implemented in Portugal, which can be affirmed since no legal barriers can be found. Although the Portuguese environment awareness is compared to other countries in Europe quite low, the Portuguese government tried lately to guide its inhabitants towards a more environmental friendly country for which such a project is a positive way to support the government's attempt.

The developed supermarket concept will be located in the heart of Lisbon since the city is the capital of Portugal in which such an idea can be easier implemented and received than in any other city. The exact location of the concept is in the district of Cais do Sodré since it became a very popular area for the target market due to the reason that new shops and restaurants opened in this neighbourhood.

The lookout for the Portuguese grocery market is also mainly positive and growth is predicted for the upcoming years, which supports the implementation of this concept idea in Portugal.

Due to the reason that this supermarket has a sustainable background, it is obvious that responsible management with regard to the employees is needed. It can be even seen as a corporate social responsibility management concept since the focus is not only on the economic, legal and discretionary responsibilities of a business but also on the ethical ones. This means that corporate social responsibility embodies the standards, norms and expectations as what employees see as fair.

The supermarket design itself has to reflect the sustainable aspect of it, meaning that environmentally friendly materials have to be used for the interior design as well as recyclable paper bags to fill in the groceries.

Regarding the target group of the clients, it was decided to focus on young professionals and families, students as well as singles. The reason is that they are open minded towards such a project and are more aware of the products they would like to consume. Moreover, this target groups also has the best preconditions to be able to afford the shopping in this store.

It was also decided to use the Portuguese name Puro for the concept since it best reflects the mission statement which signifies that the company tries to provide the best quality groceries while not harming the environment and supporting local producers and organisations.

The marketing mix of Kotler was used to develop an adequate marketing strategy for the supermarket. It was decided to offer high quality products from local and if possible organic producers. It is wished that the groceries do have the shortest transport as possible in order to offer them to the clients as fresh as possible. Since high quality products cannot come with a low price, it is obvious that the pricing strategy is in the medium segment. However, the prices still have to match the average income of an inhabitant in Lisbon who has to be able to afford the groceries. With regard to promotion, the focus is on Internet advertising, social media, search engine marketing as well as optimisation. Another marketing tool used will be public relations while being present in newspapers, radios, magazines and on TV. Furthermore, sales promotions through handing out flyers and the implementation of a loyalty card will be used to attract more clients.

Several components were used to understand if the concept is feasible or not. First of all, a competitor analysis was conducted to understand if there is a market for this idea. Through this analysis, which was focusing on the preferred location of the store, the main players in the market were identified and it can be concluded that Minipreço, Pingo Doce and Brio are the ones that have to be outpaced by Puro. However, none of these supermarkets can be put on the same level as Puro since the concepts differ from each other.

Secondly, a SWOT analysis helped to understand the feasibility. This tool assisted to understand that the developed idea can be implemented since the strengths and opportunities outweigh the weaknesses and threats. It is essential to understand the company’s weaknesses as well as the threats, of which the latter ones cannot be influenced by the company in order to understand the associated risks with the implementation. However, the lookout can be seen rather positive than negative, wherefore the concept should be taken into action.

The main driven force to go ahead with the implementation were the mainly positive answers from the respondents during the survey while asking if they would do their grocery shopping in Puro. 83% of the people who filled in the questionnaire affirmed this question in a positive way, meaning that there will be clients who support the idea and will generate revenue and therefore make this developed concept feasible.

Due to these several components which would all support the feasibility of Puro, it is recommended to present the concept to the organisation *Start Up Lisboa* in order to find a financial investor as well as to receive some feedback concerning the idea.

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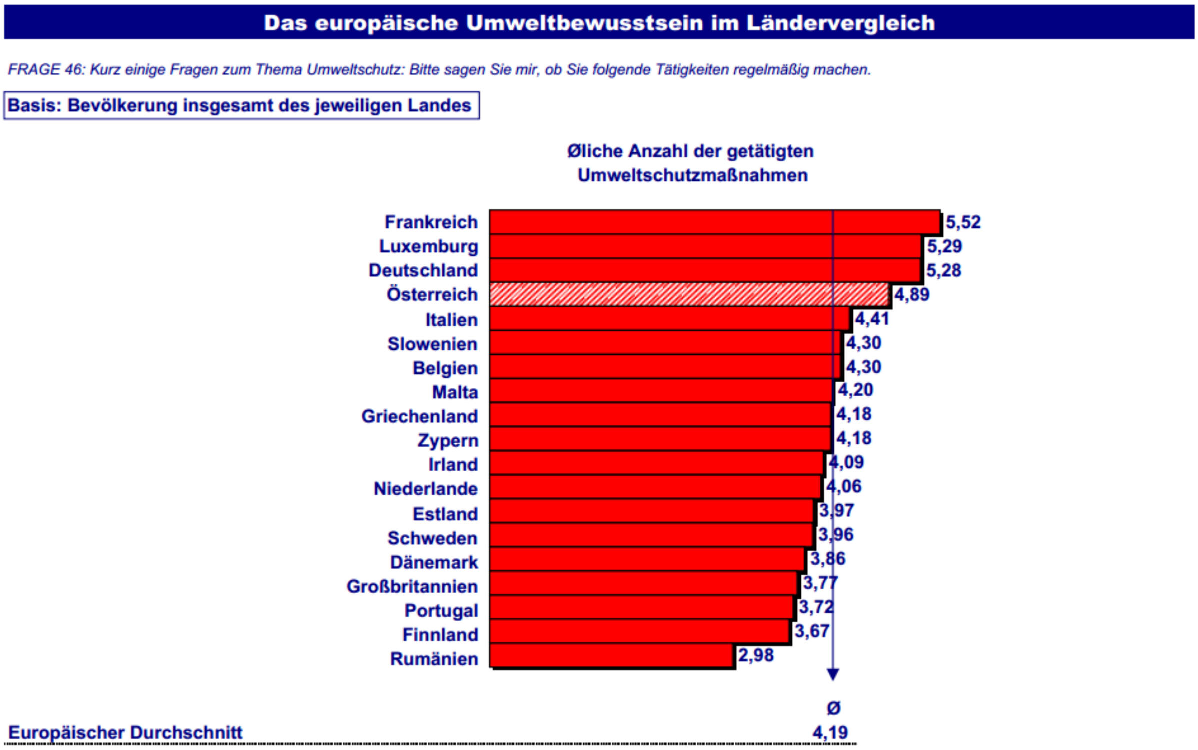
Appendices

Appendix 1: European environmental awareness, Spectra Marktforschung, 2002



Appendix 2: Countries and their measures in comparison, Spectra Marktforschung, 2002

Länder und ihre Maßnahmen im Vergleich

FRAGE 46: Kurz einige Fragen zum Thema Umweltschutz: Bitte sagen Sie mir, ob Sie folgende Tätigkeiten regelmäßig machen.

	Strom sparen %	Wasser sparen %	Hausmüll trennen %	Produkte mit wiederverwert-barer Verpackung kaufen %	Öffentliche Verkehrs-mittel nutzen %	Autoabgase testen lassen %	Mit dem Auto langsamer fahren %	Kompos-tieren %	
Europäische Bevölkerung insg.	77	70	64	53	43	39	38	35	= 419
Frankreich	86	87	85	74	40	60	77	43	= 552
Luxemburg	82	76	92	73	35	59	65	47	= 529
Deutschland	81	86	91	65	41	61	42	61	= 528
Österreich	70	62	90	67	45	59	35	61	= 489
Italien	74	71	74	63	45	50	44	20	= 441
Belgien	72	65	90	59	46	30	37	31	= 430
Slowenien	77	71	62	51	27	34	51	57	= 430
Malta	96	96	20	59	37	37	54	21	= 420
Griechenland	74	74	37	58	59	58	41	17	= 418
Zypern	89	95	23	53	16	52	64	26	= 418
Irland	76	56	63	64	47	24	44	35	= 409
Niederlande	83	72	84	54	36	23	33	21	= 406
Estland	83	85	41	39	55	24	33	37	= 397
Schweden	67	51	78	70	43	26	24	37	= 396
Dänemark	87	82	57	19	42	32	28	39	= 386
Großbritannien	75	57	61	49	39	33	34	29	= 377
Portugal	84	82	46	49	53	21	30	7	= 372
Finnland	61	49	69	42	31	45	26	44	= 367
Rumänien	76	55	24	24	64	10	12	33	= 298

Appendix 3: Ease of doing business ranking

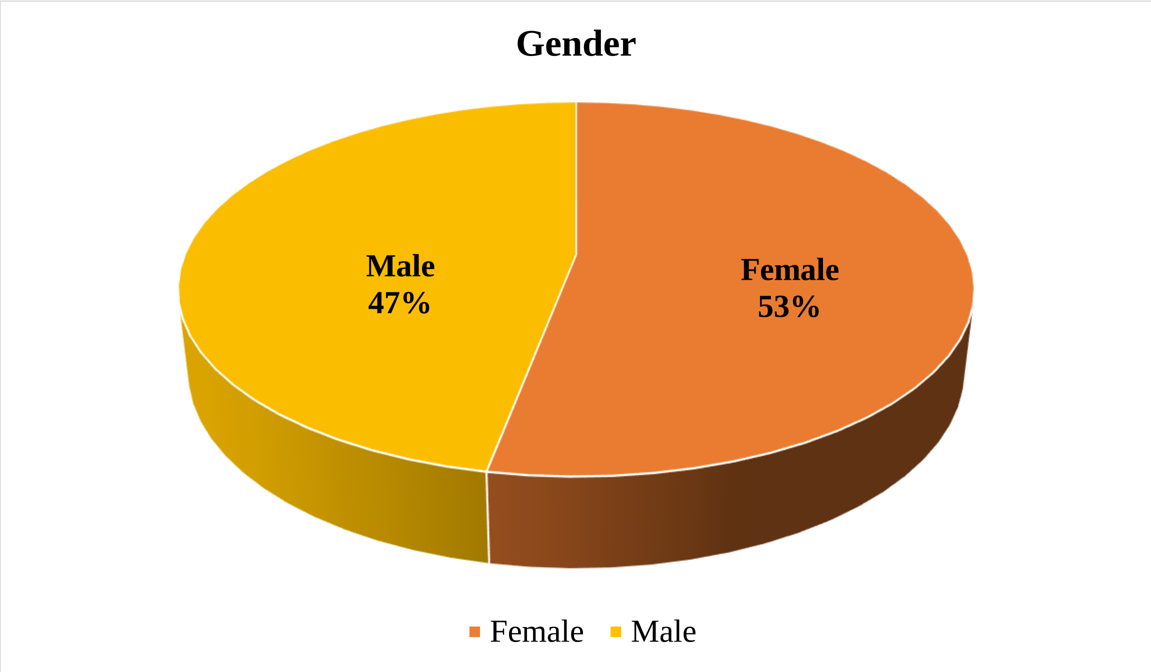
TABLE 1.1 Ease of doing business ranking

Rank	Economy	DTF score	Rank	Economy	DTF score	Rank	Economy	DTF score
1	Singapore	88.27	64	Cyprus	66.55 ↑	127	Mozambique	56.92 ↑
2	New Zealand	86.91 ↑	65	Croatia	66.53 ↑	128	Lesotho	56.64 ↑
3	Hong Kong SAR, China	84.97 ↑	66	Oman	66.39 ↑	128	Pakistan	56.64 ↑
4	Denmark	84.20 ↑	67	Samoa	66.17	130	Iran, Islamic Rep.	56.51 ↑
5	Korea, Rep.	83.40 ↑	68	Albania	66.06 ↑	131	Tanzania	56.38 ↑
6	Norway	82.40 ↑	69	Tonga	65.72	132	Ethiopia	56.31 ↑
7	United States	81.98 ↑	70	Ghana	65.24 ↑	133	Papua New Guinea	55.78
8	United Kingdom	80.96 ↑	71	Morocco	65.06 ↑	134	Kiribati	55.48 ↑
9	Finland	80.83	72	Mongolia	65.02 ↑	135	Cambodia	55.33 ↑
10	Australia	80.66	73	Guatemala	64.88 ↑	136	Kenya	54.98 ↑
11	Sweden	80.60 ↑	74	Botswana	64.87 ↑	137	Yemen, Rep.	54.84
12	Iceland	80.27	75	Kosovo	64.76 ↑	138	Gambia, The	54.81 ↑
13	Ireland	80.07 ↑	76	Vanuatu	64.60 ↑	139	Marshall Islands	54.72
14	Germany	79.73	77	Kazakhstan	64.59 ↑	140	Sierra Leone	54.58 ↑
15	Georgia	79.46	78	Vietnam	64.42 ↑	141	Uzbekistan	54.26 ↑
16	Canada	79.09	79	Trinidad and Tobago	64.24 ↑	142	India	53.97 ↑
17	Estonia	78.84 ↑	80	Azerbaijan	64.08 ↑	143	West Bank and Gaza	53.62 ↑
18	Malaysia	78.83 ↑	81	Fiji	63.90 ↑	144	Gabon	53.43
19	Taiwan, China	78.73 ↑	82	Uruguay	63.89 ↑	145	Micronesia, Fed. Sts.	53.07 ↑
20	Switzerland	77.78 ↑	83	Costa Rica	63.67 ↑	146	Mali	52.59 ↑
21	Austria	77.42 ↑	84	Dominican Republic	63.43 ↑	147	Côte d'Ivoire	52.26 ↑
22	United Arab Emirates	76.81 ↑	85	Seychelles	63.16 ↑	148	Lao PDR	51.45 ↑
23	Latvia	76.73 ↑	86	Kuwait	63.11 ↑	149	Togo	51.29 ↑
24	Lithuania	76.31 ↑	87	Solomon Islands	63.08 ↑	150	Uganda	51.11 ↑
25	Portugal	76.03 ↑	88	Namibia	62.81	151	Benin	51.10 ↑
26	Thailand	75.27 ↑	89	Antigua and Barbuda	62.64 ↑	152	Burundi	51.07 ↑
27	Netherlands	75.01	90	China	62.58 ↑	153	São Tomé and Príncipe	50.75 ↑
28	Mauritius	74.81 ↑	91	Serbia	62.57	154	Algeria	50.69 ↑
29	Japan	74.80	92	Paraguay	62.50 ↑	155	Djibouti	50.48 ↑
30	Macedonia, FYR	74.11 ↑	93	San Marino	62.44 ↑	156	Iraq	50.36
31	France	73.88 ↑	94	Malta	62.11 ↑	157	Bolivia	49.95 ↑
32	Poland	73.56 ↑	95	Philippines	62.08	158	Cameroon	49.85
33	Spain	73.17 ↑	96	Ukraine	61.52 ↑	159	Comoros	49.56 ↑
34	Colombia	72.29 ↑	97	Bahamas, The	61.37 ↑	160	Sudan	49.55 ↑
35	Peru	72.11 ↑	97	Dominica	61.37 ↑	161	Senegal	49.37 ↑
36	Montenegro	72.02 ↑	99	Sri Lanka	61.36 ↑	162	Suriname	49.29 ↑
37	Slovak Republic	71.83 ↑	100	St. Lucia	61.35 ↑	163	Madagascar	49.25 ↑
38	Bulgaria	71.80 ↑	101	Brunei Darussalam	61.26 ↑	164	Malawi	49.20 ↑
39	Mexico	71.53 ↑	102	Kyrgyz Republic	60.74	165	Equatorial Guinea	49.01 ↑
40	Israel	71.25 ↑	103	St. Vincent and the Grenadines	60.66 ↑	166	Tajikistan	48.57 ↑
41	Chile	71.24 ↑	104	Honduras	60.61	167	Burkina Faso	48.36 ↑
42	Belgium	71.11	104	Lebanon	60.61 ↑	168	Niger	47.63 ↑
43	South Africa	71.08	106	Barbados	60.57	169	Guinea	47.42 ↑
44	Czech Republic	70.95 ↑	107	Bosnia and Herzegovina	60.55 ↑	170	Nigeria	47.33 ↑
45	Armenia	70.60 ↑	108	Nepal	60.33 ↑	171	Zimbabwe	46.95 ↑
46	Rwanda	70.47 ↑	109	El Salvador	59.93 ↑	172	Timor-Leste	46.89 ↑
47	Puerto Rico (U.S.)	70.35	110	Swaziland	59.77 ↑	173	Bangladesh	46.84 ↑
48	Romania	70.22 ↑	111	Zambia	59.65	174	Liberia	46.61 ↑
49	Saudi Arabia	69.99	112	Egypt, Arab Rep.	59.54 ↑	175	Syrian Arab Republic	46.51
50	Qatar	69.96 ↑	113	Palau	59.50	176	Mauritania	44.21
51	Slovenia	69.87 ↑	114	Indonesia	59.15 ↑	177	Myanmar	43.55 ↑
52	Panama	69.22 ↑	115	Ecuador	58.88 ↑	178	Congo, Rep.	43.29 ↑
53	Bahrain	69.00 ↑	116	Maldives	58.73 ↑	179	Guinea-Bissau	43.21
54	Hungary	68.80 ↑	117	Jordan	58.40 ↑	180	Haiti	42.18 ↑
55	Turkey	68.66 ↑	118	Belize	58.14 ↑	181	Angola	41.85 ↑
56	Italy	68.48 ↑	119	Nicaragua	58.09 ↑	182	Venezuela, RB	41.41 ↑
57	Belarus	68.26 ↑	120	Brazil	58.01 ↑	183	Afghanistan	41.16
58	Jamaica	67.79 ↑	121	St. Kitts and Nevis	58.00 ↑	184	Congo, Dem. Rep.	40.60 ↑
59	Luxembourg	67.60 ↑	122	Cabo Verde	57.94	185	Chad	37.25 ↑
60	Tunisia	67.35	123	Guyana	57.83 ↑	186	South Sudan	35.72 ↑
61	Greece	66.70 ↑	124	Argentina	57.48 ↑	187	Central African Republic	34.47
62	Russian Federation	66.66 ↑	125	Bhutan	57.47	188	Libya	33.35
63	Moldova	66.60 ↑	126	Grenada	57.35 ↑	189	Eritrea	33.16 ↑

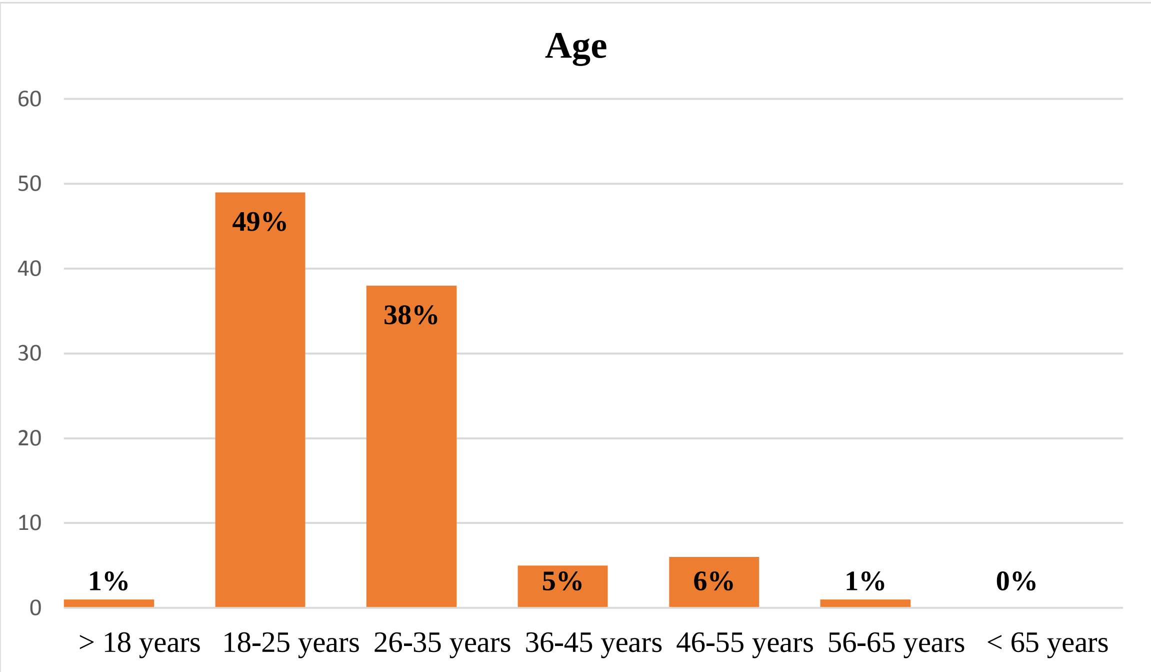
Note: The rankings are benchmarked to June 2014 and based on the average of each economy's distance to frontier (DTF) scores for the 10 topics included in this year's aggregate ranking. For the economies for which the data cover 2 cities, scores are a population-weighted average for the 2 cities. An arrow indicates an improvement in the score between 2013 and 2014 (and therefore an improvement in the overall business environment as measured by *Doing Business*), while the absence of one indicates either no improvement or a deterioration in the score. The score for both years is based on the new methodology.

Source: *Doing Business* database.

Appendix 4: Gender



Appendix 5: Age



Appendix 6: Country of Origin