ISCTE Business School
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THE POSITIVE IMPACT OF PRODUCT RANGE OPTIMIZATION IN THE PRIVATE LABEL OF A MULTINATIONAL RETAIL COMPANY

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Project submitted as partial requirement for the conferral of

Master in Marketing

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September 2017

Acknowledgements

The current project was a huge contribution for the path I intend to go through as a marketer. By being an in-company project carried out through a university-company partnership, it provided me with vital insights not only in marketing field but also in the retail market segment where I currently work at. Hence, I would like to thank ISCTE for enabling these knowledge flow opportunities and also SONAE for providing me the chance to be part of the leading company in the Portuguese retail market. More specifically, I would like to thank Professor Sandra Loureiro (who, as my MSc thesis adviser, provided me with all the guidance, support and knowledge this project required), Wilhelm Kauth (who, as my SONAE advisor, encouraged me with his valuable insights, retail expertise and friendship) and my team at SONAE (that enriched this experience by providing several commercial, quality, packaging and procurement insights).

Friendship also played a major role throughout this journey. I would like to thank all my friends, in particular to David Chalbert (for all the unconditional support over the last 12 months), Mariana Rodrigues (for all the empowerment and positive thinking) and Sara Rodrigues (for all the helpful advices and tips).

At last, I would like to highlight the Family support without which I would not be able to conclude this academic milestone. A special thank you to my Mother (for all the motivation, understanding and patience to listen all my thoughts), my Grandmother (for all the confidence provided), my Father and my Grandfather (for looking out for me) and Celeste (who always believed in me and strove for perfectionism by providing helpful feedback regarding countless matters).

Thank you!

Abstract

The purpose of this project is to demonstrate the positive impact of Product Range Optimization (PRO) tool in the leverage of SONAE MC private label brands (PLBs). Having in mind the core construct of relationship marketing, the project also investigates the secondary constructs of advocacy, attachment, credibility, image and familiarity within each SONAE MC PLB so as to identify improvement points. The ultimate path to PLBs success is drawn through the application of various marketing mix measures.

A questionnaire was conducted to a quota sample of SONAE MC shoppers to ascertain consumer perception over Continente, Continente Equilíbrio, Continente Seleção and É Continente brands. The questionnaire was delivered through Google Forms from August to September of 2017 and responses were gathered mainly resorting to digital communication platforms. From the initial sample of 557 respondents, 534 were considered valid and later inserted into SPSS 24 for data analysis purposes.

Quality, value for money and price are the most privileged factors in a PLB. Continente PLBs offer appear as the best for consumers in the Portuguese retail market. Although the best SONAE PLBs score occurs for brand advocacy, consumers find it more difficult to believe in online advocacy initiatives', such as blog suggestions. The development of national and regional products is said to generate brand attachment towards a PLB. Credibility and image seem to be more important to enhance advocacy through PLBs.

This project delivers a vital contribution not only for SONAE MC – through the identification of several performance improvement points for its PLBs – but also to the overall supermarket retail service – by providing in-depth analysis on PLBs relevance for the current marketplace and introducing the ultimate tool to create a strong brand portfolio.

Keywords – Retail, Private Label Brands, Relationship Marketing, Advocacy, Attachment, Credibility, Image, Familiarity.

JEL Classification System:

M310 – Marketing

M810 – Retail and Wholesale Trade; e-Commerce

Resumo

Este projeto tem como objetivo demonstrar o impacto positivo da ferramenta Product Range Optimization (PRO) na alavancagem das marcas próprias da SONAE MC. Através do conceito central marketing relacional, o projeto investiga também os conceitos secundários advocacia, ligação, credibilidade, imagem e familiaridade em cada uma das marcas próprias da SONAE MC de modo a identificar eventuais pontos de melhoria. O caminho para o sucesso das marcas próprias é traçado através da aplicação de várias medidas no âmbito do marketing mix.

Foi realizado um questionário aos clientes da SONAE MC para averiguar a percepção do consumidor relativamente às marcas próprias Continente, Continente Equilíbrio, Continente Seleção e É Continente. O questionário foi divulgado através da ferramenta Google Forms em plataformas de comunicação digital nos meses de agosto e setembro de 2017. Da amostra inicial composta por 557 entrevistados, 534 foram considerados válidos e posteriormente inseridos no sistema SPSS 24 para análise dos dados.

Qualidade, value for money e preço são os fatores mais privilegiados numa marca própria. A gama de produtos marca própria da SONAE MC é eleita pelos consumidores como a melhor no mercado de retalho Português. Apesar de as marcas próprias da SONAE obterem a sua melhor pontuação no conceito advocacia, as iniciativas online neste âmbito (como sugestões em blogs) não aparecem como credíveis. O desenvolvimento de produtos nacionais e regionais aumenta a ligação com a marca própria em questão. A credibilidade e imagem da marca influenciam positivamente e em grande escala a advocacia das marcas próprias.

Este projeto oferece uma contribuição vital não só para a SONAE MC – através da identificação de vários pontos de melhoria ao nível do desempenho das suas marcas próprias – mas também para o mercado de retalho em geral – realizando uma análise aprofundada sobre a relevância das marcas próprias na conjuntura atual e apresentando uma ferramenta essencial para a criação de um portfolio de marcas próprias exemplar.

Palavras-Chave – Retalho, Marcas Próprias, Marketing Relacional, Advocacia, Ligação, Credibilidade, Imagem, Familiaridade.

Sistema de Classificação JEL:

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2. Abbreviations and Glossary Index

Table 1 – Abbreviations and glossary index.

Abbreviation	Meaning
BAd	Brand Advocacy
BAt	Brand Attachment
BC	Brand Credibility
BI	Brand Image
BIa	Brand Image (Affective)
BIf	Brand Image (Functional)
BIr	Brand Image (Reputation)
NB	Name Brands
PLB	Private Label Brand
PRO	Product Range Optimization
RM	Relationship Marketing
SPSS	Statistical Package for Social Sciences

3. Executive Summary

The purpose of this project is to demonstrate the positive impact of Product Range Optimization (PRO) tool in the leverage of SONAE MC private label brands (PLBs). Having in mind the core construct of relationship marketing, the project also investigates the secondary constructs of advocacy, attachment, credibility, image and familiarity within each SONAE MC PLB so as to identify improvement points. The ultimate path to PLBs success is drawn through the application of various marketing mix measures.

A questionnaire was conducted to a quota sample of SONAE MC shoppers to ascertain consumer perception over Continente, Continente Equilíbrio, Continente Seleção and É Continente brands. The questionnaire was delivered through Google Forms from August to September of 2017 and responses were gathered mainly resorting to digital communication platforms. From the initial sample of 557 respondents, 534 were considered valid and later inserted into SPSS 24 for data analysis purposes.

Quality, value for money and price are the most privileged factors in a PLB. Continente PLBs offer appear as the best for consumers in the Portuguese retail market. Although the best SONAE PLBs score occurs for brand advocacy, consumers find it more difficult to believe in online advocacy initiatives', such as blog suggestions. The development of national and regional products is said to generate brand attachment towards a PLB. Credibility and image seem to be more important to enhance advocacy through PLBs.

Based on these findings, several performance improvement points were identified so as to make the most of the advantages SONAE PLBs present to its consumers in a daily basis. All the outlined performance measures had to comply with the following set of standards, in order to be in line with the overall business strategy:

- **Non-Cannibalization Principle:** Under no circumstances should the decisions taken be detrimental to other business areas. The principle of non-cannibalization should always be applied to ensure that all segments can succeed simultaneously;
- **Commercialization:** All decisions taken should be applicable to the retail segment and always ensure SONAE's competitive position in the scope of its activity. Only then it is possible for the group to continuously succeed in a marketplace where consumers are increasingly demanding with the products placed in shopping baskets;
- **Knowledge Base:** SONAE is a multinational group with solid roots and a constant drive towards progress. Hence, decisions should be based on the experience and know-how acquired by SONAE MC over the last +30 years in the retail business. By

doing so, SONAE will be able to optimize its growth levels and speed up the achievement of outlined goals;

- **Culture:** SONAE culture represents a legacy for the future and encompasses the possibility to create a long-term economic value. Therefore, all decisions must be based on the principles of trust & integrity, people at the center, ambition, innovation, social responsibility, frugality & efficiency and cooperation & independence;
- **Strategic Principle:** Last but not least, it is crucial that all decisions meet the strategic objectives defined by the group. Only in this way is it possible to walk in the same direction, charting the path to success in a daily basis.

This project delivers a vital contribution not only for SONAE MC but also to the overall supermarket retail service by providing in-depth analysis on PLBs relevance for the current marketplace. Also, PRO appears in light of this project as the ultimate performance tool for the leverage of private label, allowing most companies to adopt it and consequently provide their clients with a strong and consumer centric PLB portfolio capable of improving life, as suggested by SONAE motto – see figure 1.

Figure 1 – SONAE group logo.

4. Contextualization

According to Loureiro (2015: 417), "*all types of organizations, profit or non-profit, are adopting customer-centric strategies, programs, tools, and technology for efficient and effective customer relationship management*". Using relationship marketing variables, this in-company project aims to study the positive impact of Product Range Optimization (PRO) in the private label brands (PLBs) of SONAE MC with the ultimate goal of building a strong and consumer centric brand.

During the second year of the MSc in Marketing at ISCTE Business School, I had the opportunity to join SONAE MC as an intern within the Call for Solutions program for Modelo Continente Hipermercados (MCH). Call for Solutions is an open innovation program where final year MSc students are challenged to improve the most different businesses run by SONAE. This program attempts to identify young talent, allowing students to develop their final master's dissertations/thesis/reports in a corporate environment capable of strengthening university-company knowledge flow.

SONAE (Sociedade Nacional de Estratificação) was founded in 1959 and its core business was initially focused on the production of wood processed materials, more specifically, decorative laminated panels.

Over the years, the group has diversified its portfolio, currently being present on the most diverse business areas spread around several geographies:

- **Food Retail:** SONAE MC (e.g.: Continente);
- **Non-Food Retail:** SONAE SR (e.g.: Worten);
- **Real Estate Retail:** SONAE RP;
- **Financial Services:** SONAE FS (e.g.: Cartão Universo);
- **Investment Management:** SONAE IM (e.g.: WeDo Technologies);
- **Shopping Centers:** SONAE SIERRA (e.g.: Colombo Shopping Center);
- **Telecommunications, Software & Information Systems:** SONAECOM (e.g.: NOS).

Nowadays, SONAE is a multinational business that manages a portfolio of companies. In doing so, it is creating value in more than 80 countries spread across the globe. With a solid culture and a high capacity for innovation and execution, SONAE brings the benefits of progress to several consumers.

SONAE MC appears as a reference in the Portuguese retail history. Continente revolutionized the market in 1985 by opening the first Portuguese hypermarket and has since been able to innovate and adapt to the market, consolidating its position in the Portuguese consumer preferences. This preference is confirmed by consecutive elections as a Trusted Brand.

With the signature of Continente brand, the group has contributed over the last 32 years to the development of the Portuguese economy, the evolution of the distribution market and the shift in Portuguese consumption habits. This last factor is closely linked to the recent commitment of building a strong and recognized private label brand (PLB) that answers to all the Portuguese consumer needs.

According to Maslow's motivational theory in psychology (1943) – presented in *A Theory of Human Motivation* – human needs can be hierarchized in a five tier pyramid: physiological needs, safety needs, belongingness and love needs, esteem needs and self-actualization needs. Each customer enters the store with a specific goal and looks for the product basket that best addresses their needs. SONAE firmly believes that having a diversified portfolio of PLBs is the key to meet each and every consumer need. Thus, the company decided to create a major brand that encompasses several sub-brands (figure 2):

- **Continente:** The major PLB of SONAE is a certified brand that focuses on positive value for money offers, combining variety with the best price-quality ratio;
- **Continente Eco:** Based on the principle of sustainability, Continente Eco emerges as an incentive for the development of a sustainable economic and social model;
- **Continente Equilíbrio:** To promote healthy living, Continente created a range based on “Triple Zero Concept” (0% artificial sweeteners, 0% sugars and 0% fat);
- **Continente Infantil:** Developed in partnership with Cartoon Network, Continente Infantil product range aims to meet the needs of the youngest;
- **Continente Seleção:** Offers a top quality selection of products that stand out due to their unique characteristics, ingredients, origin and production processes;
- **É Continente:** Follows KISS strategy (Keep It Short and Simple), therefore offering the best price product range with the most basic technical features;
- **Área Viva:** Created to reflect the needs of an individual, Área Viva offers a wide range of products with unique specificities (e.g.: gluten-free, lactose-free, organic products);
- **Continente Fácil & Bom:** Aims to offer a range of ready-to-eat meals (meals that only require preheating to be served) or ready-to-cook meals (easy-to-cook meals with the quality of a homemade recipe);

- **Contemporal:** Aims to provide the best selection of national wines at affordable prices and with Continente quality assurance;
- **KASA:** The exclusive decoration brand for Continente stores, made by Portuguese to Portuguese, with a diversified range of functional, current and versatile articles for the whole house;
- **MyLabel:** Created with the ultimate goal of making personal care accessible to all, MyLabel is SONAE exclusive brand for personal hygiene, cosmetics and beauty care.

As a Procurement & Sourcing Intern at the Private Label Commercial Department, I was in charge of the Product Range Optimization (PRO): an essential tool for the leverage of SONAE MC private label brands (PLBs) in the most different segments. In the scope of PRO, marketing mix appears as the method used to identify the potential improvements to be made in each segment. This project will not only identify these improvement points but also define the measures capable of depicting the path to SONAE PLBs success within the Portuguese retail market.

Figure 2 – SONAE private label brands portfolio.

5. Literature Review

5.1. The Proliferation of Private Label Brands (PLBs)

It has long been said that private label brands (PLBs) register a growing trend both in penetration and market share, which causes them to be seen as a competitive threat to name brands (NBs) in the current market scenario (Steiner, 2004).

According to Nielsen's report on *The State of Private Label Around the World* (2014), private label has become an essential staple in consumers' shopping baskets. Private label registers higher level of development in Europe, more specifically in the Western markets, where private label accounts for 1/3 of the consumer packaged goods (CPG).

As to the national territory, it is no exception regarding this international trend. Portugal ranks the 5th highest private label share in Europe, meaning that PLBs account for 33% of the total expenditure in retailing companies. Switzerland has the highest private label share (45%), followed closely by the U.K. and Spain (both at 41%) and, finally, Germany with 34% (Nielsen, 2014). Latest statistics show that PLBs growth level is above NB's. According to Nielsen reports for the first quarter of 2017, PLBs grew by 3.5% contrasting with the growth of 0.6% registered by NBs (Rodrigues, 2017a).

These statistics clearly demonstrate the reason why suppliers are increasingly investing in product development featuring their own brand name to fill their shelves. Private label brands (PLBs) represent innumerous advantages for retailing companies (Aaker, 2011). First of all, these brands allow the retailer to have full control over production since third-party manufacturers follow the retailer's orders in terms of formulas/recipes, packaging, and quality, among other factors. Secondly, retailing companies also have more control over private label products' pricing due to the fact that they not only control production but also they buy huge amounts of the same product – giving them access to quantity discounts and ultimately the chance to practice lower retail prices. Furthermore, control over branding is much more interesting when it comes to talk about private label products since both the brand name and product design is entirely developed by the retailer. In forth place, retailing companies are expected to adapt more quickly to the rising market demand over a new product or feature – unlike larger companies who may not find a niche product as interesting as a retailer finds it to be. Generally speaking, a retailer is expected to perform much better in terms of profitability with a private label product than with a branded product thanks to all the factors previously mentioned (Aaker, 2011). Most of the retailers have identified this opportunity: not only are they expanding their private label range of products but also increasing the sale of these articles with discount. In April, for example, SONAE MC developed "Feira de Produtos Continente" (Continente Products Fair) in more than 200 stores with discounts of up to 35% on more than 400 private label products (Rodrigues, 2017a). As a result of these events, it is possible to say that private label is well positioned for growth since it combines lower price offers to consumers and higher margins to retailers (Rodrigues, 2017a).

The traditional low investment in marketing tools largely explains the high profitability of private label products. But how did PLBs managed to obtain such success among consumers without the massive communication investment often used in branded items? Although retailing companies do not usually spend huge amounts of money to advertise their PLBs, the strong shelf space appears as one of the most efficient tools to promote these brands in the point of sale: PLBs benefit both from disproportionate shelf spacing and in-store promotional support (Nogales and Suarez, 2005). Once combined with the PLBs umbrella branding strategy, this prominent shelf spacing gives these brands the possibility to spread several brand associations across different categories (figure 3).

Figure 3 – PLBs disproportionate shelf spacing for toilet paper sub category.

Consumers have always recognized PLBs as a low-cost alternative to NBs due to its typical lower price. Although this may seem a huge advantage in a world where financial crisis, austerity and political uncertainties (e.g.: Brexit) took place, it is not such a pleasing factor if we think about the price-quality binomial: in consumers' mind, lower cost also means lower quality (DelVecchio, 2001). This lower cost/lower quality position undertaken by PLBs was initially designed to appeal to consumers' desire for value (Dodds et al., 1991). Only two questions demand an answer: What does "value" mean to consumers nowadays? Is price still the most important factor while in a purchase decision? If so, there would not be PLBs positioning some of their products as premium (e.g.: Continente Seleção).

With the emergence of a new consumer – increasingly attentive, demanding and concerned – retailers are required to define new strategies capable of conquering, differentiating, and strengthening their position in the current market! These new consumers are showing new interests, expressing different needs and, most important of all, they are willing to pay more in order to satisfy their desires.
Distribution chains are increasingly focusing on differentiation strategies. It becomes clear that, although there is still a long way to go until PLBs begin to be perceived as a fair competitor for any NB, private label is currently an instrument of differentiation for most retailers and one of the main sources of innovation and product development across all categories (Rodrigues, 2017a).

5.2. Private Label Brands (PLBs) VS Name Brands (NBs)

The definition of private label brands (PLBs) is not uniform in literature (Burt, 2000). However, this project seeks to describe PLBs as all the brands owned by a specific wholesaler, retailer or distributor and sold exclusively in their own stores (Kumar and Steenkamp, 2007) – for instance My Label, by Modelo Continente Hipermercados (MCH). PLBs thus can be opposed to name brands (NBs), whose major purpose is to produce and commercialize products – for instance Garnier Ambre Solaire, by L'Oréal. Manufacturers, whom often produce the NBs products that the PLBs compete against, also produce the PLBs products.
From a marketing mix point of view, the main differences between PLBs and NBs are related to advertising support, distribution and price. Regarding the first factor, NBs register higher advertising support at national level, while PLBs have a more fragmented strategy since the adverting support is spread across all categories of the brand. In respect to distribution, PLBs have a much more restricted distribution than NBs as they are only sold in one retail chain (Chen, Narasimhan, & Dhar, 2010). By contrast, NBs sell in multiple retail chains, meaning that they not only record a bigger retail presence, NBs also have wider product availability. Concerning the last factor – price – the majority of PLBs are cheaper than NBs and usually appear side by side on retail shelves to ease the consumer's choice process.
Over the years PLBs have shown their potential and advantages to consumers, therefore conquering a key position in the market. Aligned with Nielsen's vision on its report *The State of Private Label Around the World* (2014), Europe appears as the cradle of PLBs as this is the market where these brands have the best chance to succeed – with 70% of a survey respondents' stating PLBs as a good alternative to NBs and 69% believing they offer good

value for the money. The European territory provides a strong model for retailers to successfully develop and grow their PLBs. The most prosperous private label retailers have invested in brand management activities, something that allowed them to build a significant brand equity and recognition for their products. Only by providing value with standard and premium offerings for consumers at all price points (e.g.: Continente and Continente Seleção, by MCH) and innovating to address unmet consumer needs' they managed to succeed in a world where consumers are becoming more and more demanding.

5.2.1. Where do Private Label Brands (PLBs) win?

As private label market share grew in most European countries between 2009 and 2013 (Nielsen, 2014), NBs face serious challenges to recover consumers. This tendency can be largely explained by the fact that the perceived quality of PLBs rises significantly once consumers try these brands (Sprott & Shimp, 2004).

However, PLBs do not have the same success in all product categories. Across the globe, private label share and sales are usually stronger in commodity-driven, high-purchase categories (e.g.: paper products, milk, bread and eggs). Although some commonalities exist, the categories in which PLBs perform best market share values highly vary by country: even in the most developed European countries, where similar purchasing habits are expected, substantial performance differences occur.

In short, the question is "Why are NBs finding it harder to compete with PLBs in such product categories?" There are several factors in favor of PLBs.

First of all, the products within commodity categories not only register minimal differentiation, they also have low brand equity. As there are many suppliers in the market, it becomes easier for PLBs to create "me too" products at lower cost in this categories.

In second place, there is a high price sensitivity coupled with a high purchase frequency. As commodity products represent goods and services with minimal or no qualitative differentiation across the market, consumers end up being less brand loyal and look for the best price opportunities.

Thirdly, there is a low innovation rate as NBs have done very little to recreate in commodity categories. Hence, it becomes easier for PLBs to copy the product range of the most prestigious, well-known and famous NBs.

Although all the previous stated advantages, it is important to emphasize that, according to Jean-Jacques Vandenheede – Director of Retail Industry Insight –, "*private label by nature is not predestined to grow since name brands have the growth advantage*" (Nielsen, 2014: 15).

Hence, it is also important to deeply emerge in the subcategories where NBs gain competitive advantage, analyzing specific examples and a real contextualization of the market conditions that separate these two ecosystems in a highly competitive retail area.

5.2.2. Where do Name Brands (NBs) win?

NBs are highly dynamic in some specific clusters, allowing them to capitalize those advantages into market share and profit. NBs consistently outperform PLBs in hair-care category. But what are the factors that make it so difficult for private label to break into the hair-care market? The category has several distinct elements that favor NBs.

In first place, there is a huge rate of innovation in the hair-care category, which is translated into new launches every year followed by high levels of marketing and trade investment. This level of investment cannot be followed by PLBs in just one specific market.

Secondly, the degree of real and perceived product differentiation is extremely high, with wide strategies of product development to serve a wide range of needs, from color protection to anti-dandruff.

Thirdly, marketing is key. NBs account with incredibly high marketing budgets in this specific category, allowing them to get higher share of voice and consumer awareness.

Also, this marketing and innovation investments create strong brand equity. According to Nielsen (2014), globally, more than 35% of consumers are willing to pay more than the average price for a NB shampoo. This shows strong brand preferences and loyalty rates among consumers.

At last, the hair-care market has heavily promotional activity and longer purchase cycle than other Fast Moving Consumer Goods (FMCG) categories. This happens due to less frequent purchases, inducing that the higher price tag for brands is less of a barrier and the high amount of promotion reduces the price differential between PLBs and NBs - giving advantages to the last ones.

Summing up, the intrinsic differences between PLBs and NBs arise and gain meaning when applied, as mentioned, in one specific segment. The uneven marketing focus, promotional concentration, media core and consumers' reaction to changes give NBs the power to react and achieve historical leadership in specific segments. In the future, the dynamics can change and both realities will have to adapt their mechanisms – for instance, consumers' loyalty rates are lowering and the high volumes of promotion are not sustainable at the long run.

Both PLBs and NBs must be meticulous in the creation of strong and long lasting bonds with their customers if they want to succeed in the current market scenario. Nowadays, relationship marketing (RM) plays a crucial role in most companies success as "*understanding and managing customer relationships is fundamental to marketing*" (Zhang, Watson, Palmatier, & Dant, 2016: 53).

5.3. Relationship Marketing (RM)

The current marketing paradigm is shifting from a transactional marketing perspective to a relationship marketing viewpoint (Loureiro, 2015). The construct of relationship marketing (RM) not only has been increasingly studied in marketing academia, it also has received strong interest in marketing practice. RM can be defined as "*the process of identifying, developing, maintaining, and terminating relational exchanges with the purpose of enhancing performance*" (Palmatier, 2008: 3). Once an organization invests in RM, it will be able to enhance customer trust, commitment and relationship satisfaction influencing seller performance outcomes (Crosby, Evans, & Cowles, 1990; Dwyer, Schurr, & Oh, 1987; Morgan & Hunt, 1994; Palmatier, Dant, Grewal, & Evans, 2006; Loureiro, 2015).

Palmatier et al. (2009) proposes that marketing investments are capable of generating customers' feelings of gratitude that will ultimately drive seller performance benefits.

There are an immeasurable number of constructs under the scope of RM whose study is relevant to understand the customer, the brand and how the relationship between these two parties can be improved. Brand advocacy and brand attachment are some of the main sub constructs and influencers of RM: they act as key drivers for the relational exchange with the customer. Such concepts deserve further development in order to understand their impact on the creation of strong brands and loyal customers.

A positive relationship is translated into customer gratitude driven by RM investments that will increase seller performance outcomes (Palmatier et al., 2009). Bear in mind that RM involves the creation and maintenance of emotional bonds with consumers through a continuous process. The close and long-lasting relationship between a brand and its consumers occurs over time and can lead to a valuable affective, self and social identification with PLBs (Loureiro, 2015).

This leads to empirical evidence on how the Product Range Optimization (PRO) can improve the performance of SONAE PLBs in the current market by enhancing and emphasizing the positive relationship between consumers and PLBs. This positive relationship has its core on high brand credibility, good brand image and positive brand familiarity. As such, understanding the influence of RM sub constructs on customers' feeling of gratitude can provide useful insights to brands, who will be able to focus their investments in order to leverage their performance. Looking at today's retail environment, PLBs have considerable advantages in establishing profitable relationships with their customers due to better positioning on using the mentioned RM sub constructs (De Wulf, Odekerken-Schröder, & Iacobucci, 2001; Sweeney, Soutar, & Johnson, 1999).

Having this said, perceptions about PLBs are favorable around the world, but there is still plenty of space for improvement. Through PRO, the moment will come when NBs will start looking at PLBs as an up to charge competitor that can threaten their current position in the market. This moment is called "now"!

5.4. Brand Advocacy

"When my mother goes to Continente, she only buys private label products since I provide her positive feedback not only about these items but also about these PLBs. I do that because I identify myself with these brands: they offer good quality products, charge a faire price, and keep innovating every month! I consider myself a brand advocate for Continente PLBs."

Brand advocacy is nowadays one of the most efficient techniques to generate new clients. The idea of having people that love your brand introducing it to new customers, free of charge, generating new revenues, business intelligence and scale brought a whole new paradigm to customer loyalty techniques (Ciceron, 2017). Companies are realizing that advertising and traditional marketing is no longer enough to conquer new customers. "*In their quest for sustained success in a marketplace characterized by product proliferation, communication clutter, and buyer disenchantment, more and more companies are attempting to build deep, meaningful, long-term relationships with their customers.*" (Bhattacharya & Sen, 2003: 76)

Most of the times, strong consumer-company (C-C) relationships arise from consumers' identification with those companies. Once there is congruence between the individual identity and the company identity, the connection between the two parties is established and helps the consumer satisfying important self-definitional needs. In addition to this, the C-C relationship is also likely to be influenced by the relationship with this company's brands (Brown & Dacin, 1997; Loureiro, 2015) and non-product aspects of a company – such as values, social responsibility and networking opportunities. Brand advocates not only are completely loyal, they also promote the company and its products to their acquaintances, thus being an extremely valuable asset to any company (Bhattacharya & Sen, 2003).

So that MCH customers can identify themselves with the company, Modelo Continente Hipermercados (MCH) tries to meet consumer needs on a daily basis, offering them the greatest variety of discounts. Also, in terms of non-product aspects of a company, MCH has been elected consecutively as a Trusted Brand by its consumers (relationship with the company's brands), pursues values such as ethics, ambition and innovation (values), developed "Missão Continente" – a social initiative that acts within the scope of family health, fight against hunger and food waste, among others – (social responsibility) and develops several initiatives to bring its customers together such as "Mega Pic-nic Continente" in Lisbon or "Festival da Comida" in Oporto (networking opportunities). Therefore, all the tools needed for MCH consumers to be considered brand advocates of Continente are gathered (figure 4). But are these consumers real brand advocates? That is what this project attempts to disclose.

Figure 4 – SONAE initiatives in the field of brand advocacy.

5.5. Brand Attachment

There has been a growing demand by marketers for efficient ways to build strong and long lasting emotional relationships between consumers and brands (Malär et al., 2011). Brand attachment has been regarded as an essential and crucial construct in marketing field, as it is said to predict positive consumer behaviors such as brand loyalty and willingness to pay a premium price for a product (Thomson et al., 2005). According to Loureiro (2017), the emotional attachment towards private label seems to be directly associated with credibility and familiarity and is said to generate long-term ties with a certain PLB. More specifically, in the retailing context, emotional attachment towards a brand can generate positive word-of-mouth – WOM – and brand loyalty (Vlachos, Theotokis, Pramatari, & Vrechopoulos, 2010).

According to Schmitt (2012), brand attachment can be described as a prominent construct that expresses the approach by which consumers can relate themselves with a brand. Some studies state that brand attachment is one of the main drivers for brand love (Japutra et al., 2014). Having in mind Batra et al. (2012) vision over brand love as a multidimensional construct, it is possible to state that it includes several variables such as "*self-brand integration, passion-driven behaviors, positive emotional connection, long-term relationship, positive overall attitude valence, attitude certainty and confidence (strength), and anticipated separation distress*" (Japutra et al., 2014: 618). Succinctly, brand attachment can be conceptualized as a three dimensional factor composed by emotions, self-connection and importance (Japutra et al., 2014).

Six different factors can be stated as drivers of consumers' attachment towards a brand: self-congruity, experience, responsiveness, quality, reputation and brand trust (Japutra et al., 2014). Self-congruity refers to the match needed between an individual's personality – actual self, ideal self and social self – and a brand personality in order for brand attachment to occur (Malär et al., 2011). At the same time, consumer experience is understood to be a driver for attachment towards certain products, brands and places (Loureiro, 2017). According to consumers, favorable experiences with a brand can lead to brand attachment (e.g.: Continente developed a launching promotion in which a day at Solinca gym was offered to all those who bought any Continente Equilíbrio skyr yogurt – figure 5). Therefore, brands must invest constantly in new and different ways to increase their responsiveness level towards a consumer. Last but not least, stronger brand attachment can also be obtained through the commercialization of high quality products, by having a positive brand reputation among the

consumers and by building brand trust within a certain market (e.g.: The proliferation of Continente Seleção range as a way to spread the positive perception about PLBs – figure 6).
Accordingly, three distinct behaviors also appear as a result of strong bonding: the act of defending a brand, the resilience to negative information and, finally, the intention to purchase, recommend and revisit (Japutra et al., 2014).
Strong attachment towards a brand is nowadays a very important factor. In fact, this attachment can lead to greater purchase and usage of the brand (Rossiter & Bellman, 2012).

Figure 5 – Partnership between Continente and Solinca gyms for skyr yogurts launch.

Figure 6 – The proliferation of Continente Seleção range of products.

5.6. Brand Credibility

"*One of the most important roles played by brands is their effect on consumer brand choice and consideration. (…) The credibility of a brand as a signal has been conceptualized as the believability of the product position information contained in a brand*" (Erdem & Swait, 2004: 191).

Nowadays, organizations use a number of marketing mix elements to signal their product quality, which may or may not be seen as reliable in consumers point of view (e.g.: charging higher prices, offering warranties or providing certain distribution channels). Therefore, it is possible to claim that brand credibility plays a crucial role when it comes to gauge a brand success probability in the current marketplace. Brand credibility represents the long lasting relationship of a consumer with a certain brand and comprises two key factors: trustworthiness – the conviction that the organization is willing to deliver on its promises – and expertise – the conviction that the organization is capable of delivering on its promises (Sweeney & Swait, 2008). Both the factors – trustworthiness and expertise – reflect the cumulative impacts of past and present marketing strategies and activities associated with the brand (Erdem & Swait, 2004). According to Erdem & Swait (2004) trustworthiness, rather than expertise, is said to affect consumer choices and brand consideration in a greater way. Also, brand credibility not only is capable of increasing the probability of inclusion of a brand in the consideration set, but also brand choice conditional on consideration.

Among the numerous initiatives carried out by SONAE PLBs to increase its brand credibility level, it is vital to highlight the +20k quality control tests carried out annually in private label products. Because of the continuous investment in quality, innovation and variety, consumer trust – "*the expectations held by the consumer that the service provider is dependable and can be relied on to deliver on its promises*" (Sirdeshmukh et al., 2002: 17) – levels on SONAE PLBs are becoming increasingly better over time. Proofs of this are the several prizes awarded to SONAE in recent years:

- The *European Trusted Brands 2017* study from Seleções Reader's Digest magazine elected Continente as a trusted brand for the 15th consecutive time – figure 4 – and Continente Online as the online store in which Portuguese most trust (study based on a sample of 15k respondents);
- According to Havas Media Group study on *Meaningful Brands Portugal 2017*, Continente is the most relevant retail brand for the Portuguese (study based on a sample of +12k respondents);
- Some of Continente products received a Vertex Award in recent years (e.g.: Gold medal for Continente Gourmet range of coffee capsules from Africa, America and Asia – figure 7). Vertex Awards consist of the only global competition dedicated exclusively to the art of Private Brand package design and aim to award the products with the best creativity, marketability and innovation in the market.

In sum, credibility is key. The bond established between a brand and its consumers provides the firm with motivation to be truthful about their products with the market. The ultimate goal is to create a strong brand based on reliability, value, reassurance, credibility and image for the client.

Figure 7 – Continente Gourmet coffee capsules win a Vertex Award in 2016.

5.7. Brand Image

Being the private label offer based on the promise of value and price to the market, the image consumers have on PLB products' assumes a crucial role to their success!

Research by Aaker (1991) has provided a definition for brand image, this being a series of brand associations stored in consumers' mind. In the perspective of Keller (1993), the construct of brand image consists on the sum of all brand associations held in consumers' memory that lead to an overall perception over a brand.

The prescribed approach for PLBs to succeed in the current marketplace is to be customer centric and deliver a product range that addresses the right benefits – those that really fulfill customers needs and wants. Only by doing so, it is possible for a brand to achieve a positive brand image.

Benefits represent needs and wants that are only pleased by the consumption of a product or service (Kotler, 2003). They vary from consumer to consumer, are abstract in nature and often derive from attributes (Candi & Kahn, 2016). According to Shet et al. (1991) benefits can be typified into three different categories: functional, affective and reputation. While functional benefits derive from a certain product's ability to perform its functional, physical or utilitarian purposes, emotional benefits evoke a product's ability to arouse feeling and epistemic states – they appeal to human senses and emotions (Holbrook & Hirschman, 1982). Reputation attributes stem from humans' strong need for self-expression (Verganti, 2008; Norman, 2004) and encompass all the associations with a certain social group due to the consumption of a particular product – they support a consumer's actual or ideal self (Mittal & Lee, 1989).

SONAE strongly believes that the most effective way to create a strong and long lasting bond with its consumers – and therefore a positive brand image – involves the investment in a diversified brand portfolio model, in which each PLB is capable of strengthening the relationship with a specific client type. É Continente, being a low cost private label brand which offers a product range with the most basic technical features, was especially designed for consumers who privilege the functional benefits of a product. Continente Eco emerges as a sustainable brand that appeals the consumer to protect the planet we live in from environmental problems – the consumption of such products is mostly based on emotional benefits. Last but not least, Continente Seleção aims to offer a top quality selection of products intended for consumers with higher purchasing power – the intrinsic exclusivity of this brand privileges reputation attributes. Such diversity allows SONAE not only to create a consistent brand image on the market but also to retain its consumers, who become more familiar with a brand that has been designed to suit.

5.8. Brand Familiarity

One of the most crucial communication tasks for an unknown brand to become established in the market is to build the knowledge in consumers' minds (Campbell & Keller, 2003). Only by capturing consumers' brand knowledge structures – the brand associations already present in consumers' memory – it is possible for a brand to truly know its consumers and define the right measures to become (more) familiar to them.

Brand familiarity can be defined as a continuous variable that measures the consumer's level of direct or indirect experiences with a brand (Alba & Hutchinson, 1987).

Although plenty of advertised products are familiar to consumers (e.g. Coca-Cola), many others may not be, whether because they are new to the marketplace or because consumers have not yet been exposed to the unknown brand experiences (Stewart, 1992). In the private label market consumers are more likely to buy a product once they become more familiar with a PLB through trial or inspection (Richardson et al., 1996). A familiar brand can be distinguished from an unfamiliar brand according to the amount of information stored in consumer's memory (Campbell & Keller, 2003). Familiar brands are said to have a wide variety of association types in consumers' minds: "*consumers may have tried or may use a familiar brand, they may have family or friends who have used the brand and told them* *something about it, they may have seen prior ads or marketing communications for the brand, or they may know how the brand is positioned, packaged, and so on, from the press*" (Campbell & Keller, 2003: 293). SONAE is strongly committed in developing a recognized and distinguished private label, not only on national territory but also beyond borders: all product labels have been rebuilt and present now the information in three different languages – Portuguese, English and French (figure 8). The substantial investment in media communication – such as TV and radio ads – along with the recurring presence in weekly leaflets and the latest investment in a new visual line for all the products (figure 9), consistent and flexible across categories, have the ultimate goal of building a strong brand identity for SONAE PLBs, raise its brand familiarity level and create loyal consumers.

Figure 8 – Product label for Continente chocolate powder in three different languages.

Figure 9 – New product visual line for Continente range of products.

But no loyalty can be achieved without real relationship marketing investment. Based on Loureiro et al. (2014) view regarding loyalty drivers, cumulative effects of satisfaction, perceived value and trust are expected to have greater impact on consumers' loyalty intentions when compared to customer delight in a utilitarian service, such as that of a supermarket. "*Retail managers are required to form and maintain long-term relationships with consumers in order to achieve profitability*" (Loureiro et al., 2014: 101). Only by studying the market offer, analyzing all the product features and understanding consumer needs it is possible for SONAE PLBs to succeed in the current market scenario. By doing so, the Product Range Optimization (PRO) appears below as an extremely valuable asset for the leverage of PLBs, therefore being the central theme of this in-company project.

5.9. Product Range Optimization

The Product Range Optimization (PRO) emerges as a disruptive approach whose main goal is to improve the performance of each and every sub category, with special emphasis on the private label range of products. By performing consecutive weekly meetings where all crucial aspects are discussed within a collaborative working environment, SONAE PLBs are expected to perform increasingly better over time.

One of the most remarkable features of PRO is the possibility to analyze an entire portfolio on an annual basis, developing all the necessary changes in each segment. Only this way it is possible for SONAE MC to consolidate its leading position in the Portuguese retail market.

So that no market conditioner is left behind during the decision-making process, all those involved in the creation and management procedures for the segment to be analyzed are summoned to this meeting: the board of directors (whose contribution is based on macro strategic inputs), the commercial department (which holds all the knowledge related to portfolio management), the packaging & design team (whose contribute is essential to define a strong brand image and a solid communication strategy), the procurement department (an essential asset to deepen the product development process possibilities) and the quality assurance team (that offers all those involved the technical specifications needed).

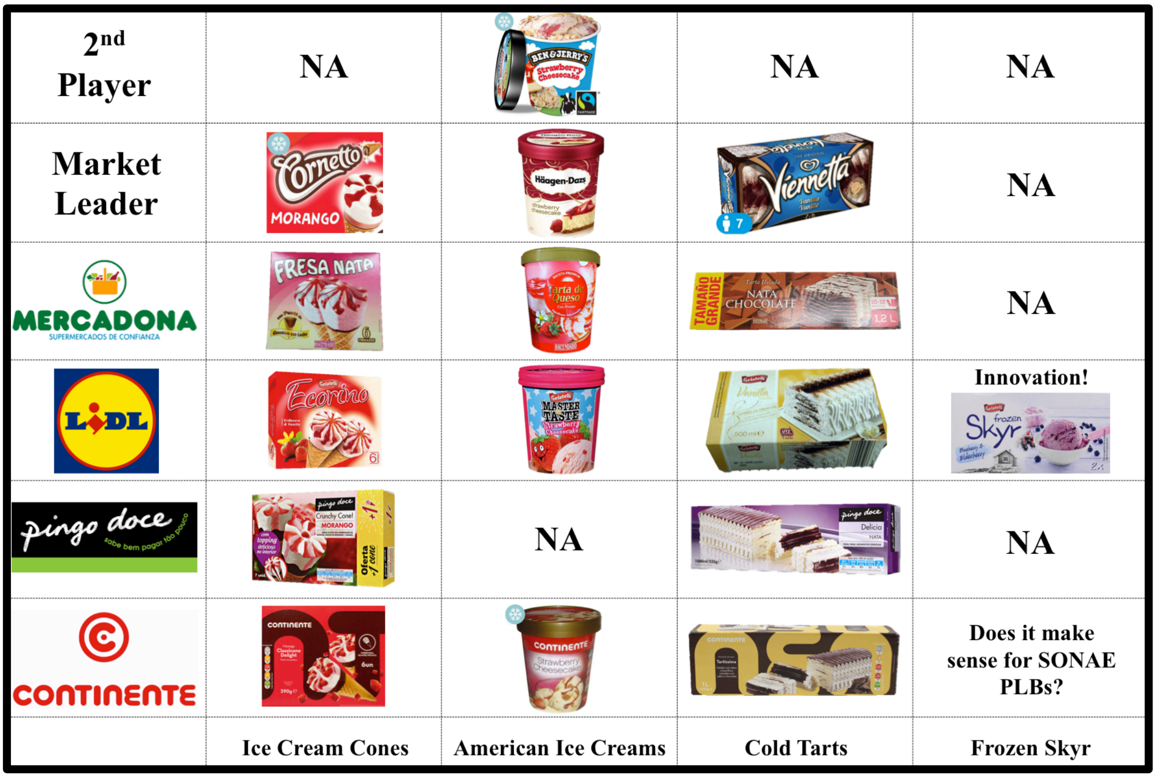
In order to provide all the participants with key information on the sub category, all PRO meetings begin with a brief market overview (based on Nielsen data) that will draw a starting point for the discussion among all the teams.

During the meeting, all products are displayed on the table with custom information (e.g.: retail price, production cost, profit margin, annual sales in units and value, product rotation per store, supplier name, among others) not only to foster a multisensory experience but also to achieve an easier term of comparison that will ultimately lead to more sustained decisions.

Several brands are taken in account in PRO meetings so that a sharp and complete picture of the market is obtained: Continente PLBs, Pingo Doce PLBs (the main competitor of SONAE MC in the Portuguese retail market), LIDL PLBs (the 3rd player in the Portuguese retail market and the international retailer when it comes to talk about private label), Mercadona PLBs (so that SONAE MC can be prepared when Mercadona – the undisputed leader of food distribution in Spain – enters the Portuguese retail market in 2019 (Rodrigues, 2017b)), the market leader and the second player in each segment (since they dictate trends and can be defined as a huge source of innovation). For instance, if a PRO analysis was to be performed on ice cream sub category, this would be the brand portfolio to take into consideration: Continente PLBs (Continente, Continente Infantil, Continente Seleção and É Continente), Pingo Doce PLBs (Pingo Doce), LIDL PLBs (Deluxe, Gelatelli, Italiamo, Noblíssima and Sondey), Mercadona PLBs (Hacendado), the market leader and the second player in each segment (Ben&Jerry’s, Carte D’Or, Häagen-Dazs and Olá – Cornetto, Magnum, Viennetta). A figure is presented at the end of this section to illustrate a PRO analysis (figure 10).

Several decisions will be made in the course of a PRO meeting and subsequently registered in an internal minute approved by all parties. All the changes will occur under the scope of marketing mix. Some SKUs will be discontinued, giving SONAE PLBs the opportunity to extend the product range for key segments – through innovation or response to the market offer (Product). Consequently, some planogram changes are also expected, providing growing market segments with more shelf space (Place). Other products will require the renegotiation of contract conditions initially established with the supplier or a retail price adjustment to assure a leading market position (Price). Moreover, several changes at the product level will be made according to various market conditions: formulas, size, packaging, claims, among others (Product and Promotion). The ultimate goal of each modification is to positively influence the sub category performance, tearing down any existing barrier and tracing the path to better outcomes. PRO, being a great tool to achieve excellent results, emerges as the perfect solution to optimize private label range of products, enabling PLBs to compete in equal terms with the most prestigious NBs on the market.

Figure 10 – A Product Range Optimization analysis illustration.



5.10. Marketing Mix

The marketing mix process appears as one of the most useful instruments to assist an organization in launching a new product to the market. Usually, four different Ps comprise this tool: Product, Place, Price and Promotion.

5.10.1. Product

The Product emerges as the first of the four elements that make up the marketing mix process and arises from the need to design, organize and renew the product portfolio marketed by SONAE MC (Dionísio et al., 2008). During a PRO meeting, several are the aspects taken into consideration in order to launch the right products and draw the path to continuous success of SONAE PLBs:

- **In&Out Editions:** The launch of limited editions demonstrates PLBs capacity for innovation (e.g.: Continente limited edition of juices, liquid yogurts and Greek yogurts for the summer of 2017 – figure 11);

Figure 11 – Continente Online banner for Continente limited editions (summer of 2017).

- **Innovation:** The launch of innovative products (unique in the market) provides PLB consumers' new experiences (e.g.: Continente tomato & basil baguette – figure 12);

Figure 12 – Continente tomato & basil baguette.

- **Me-too Products:** Me-too products aim to copy a competitor's innovation and appear as a tactic used by organizations to avoid losing market share to a competitor;
- **Product Range Diversity:** Consumer needs are meticulously studied in order to create products that really meet all their needs – SONAE MC counts with more than 4k private label products, spread across the most diverse categories;
- **Product Formulas:** In order to truly examine a product's quality standard and gauge its advantages, SONAE MC can not confine the product evaluation to its personal judgment or to suppliers' opinion: the organization must resort to consumer surveys in which a sample of potential customers is required to consume/use the product. SONAE MC conducts +20k quality control tests in private label products every year

(e.g.: After performing quality control tests in Continente baby diapers, SONAE MC decided to improve this product's formula, presenting now a renewed image and an upgraded product version with wetlock technology, new elastic bands, absorption up to 12 hours and greater protection – figure 13);

Figure 13 – Leaflet communication for new Continente baby diapers.

- **Product Packaging:** The product's packaging must ensure its perfect conservation, protecting it from factors such as humidity, microbiological contamination, light, oxygen, loss of nutritional value, among others. Only then is it possible for the product to reach the desired service life (e.g.: The packaging of MyLabel sunscreen product range is opaque as so to retain all essential characteristics of the formula – figure 14);

Figure 14 – Leaflet communication for new MyLabel sunscreen product range.

- **Quality Perception:** The recent investment in a diversified product range for Continente Seleção aims to improve PLBs quality perception and show the consumers that private label itself can offer high quality at affordable prices (e.g.: Continente Seleção range of artisanal ice creams, an exclusive product range composed by six traditional flavors such as Aveiro creamy sweet eggs, Portuguese custard tart and chestnut with Port wine – figure 15);

Figure 15 – Continente Seleção range of artisanal ice creams.

- **Sizing:** The launch of different sizes demonstrates PLBs capacity to understand consumer needs (e.g.: In the summer of 2017 Continente launched a new format for the same product. Continente tropical carrot juice was previously sold in a 1.5L plastic bottle and is now also available in a 50CL format so that consumers can drink it anywhere, for example on the beach – figure 16);

Figure 16 – Continente different formats for its tropical carrot juice.

- **Market Trends:** The consumer of today shows new interests and is willing to pay more in order to satisfy them. For example, the categories of healthy living are considered to be a market trend for 2017 as they register a notorious growth (Rodrigues, 2017a). The development of a wide product range for Continente Equilíbrio based on “Triple Zero Concept” (0% artificial sweeteners, 0% sugars and 0% fat) is directly linked to these latest consumer trends (e.g.: Continente Equilíbrio skyr yogurts – figure 17).

Figure 17 – Continente Equilíbrio range of skyr yogurts.

5.10.2. Place

Among others, the Place/Distribution dimension aims to answer questions such as “Where will the consumer be able to find the new product?” (Dionísio et al., 2008). A product launch must meet the following criteria when it comes to distribution aspects:

- The supplier must be able to ensure the required production level for the expected product turnover;
- The product must be included in one of the following inventory valuation methods: FIFO (First In First Out), LIFO (Last In First Out) or Weighted Average Cost (all the inventories are sold simultaneously);
- Each product must ensure one of the following stock models: PBL (Picking By Line, meaning that the orders are made according to each store needs and stored in warehouse by store number – in this method the warehouse is emptied every night to stock the shops) or PBS (Picking By Stock, meaning that the orders are made by the stock team according to the total store needs and stored in warehouse by product type – in this method the warehouse can keep the stock for 3 to 4 weeks);

- The product must have a distribution channel (e.g.: Producer → Vendor → Warehouse → Store → Final Consumer);
- The product must have a linear allocated space to assure its presence in the store;
- The product should be placed next to its homogeneous name brand products to ease the comparison (figure 18);

Figure 18 – PLB product placed next to its homogeneous name brand item.

- The product must already be supplied with SRP (Shelf Ready Packaging) in order to expedite the store replacement process (figure 19).

Figure 19 – SRP examples for PLB products.

5.10.3. Price

The Price remains as the most sensitive element of marketing mix as it is one of the main drivers for purchase. As PLBs are based on the promise of value and price, they must be able to create an offer capable to retain its consumers over time. Several aspects must be taken into consideration when pricing a private label product:

- The product price must be in line with the price of other PLBs in the same item;
- The product price must be, on average, 20% to 30% below the promotional price of the comparable name brand item;
- The profit margin of the product should make it possible to carry out promotional actions, if necessary;

- The product must be a margin builder (the article profit margin must overcome the category margin);
- The item must ensure a psychological price (both base price and promotional price).

5.10.4. Promotion

Last but not least, the Promotion dimension refers to all the communication initiatives undertaken by the Marketing team to promote the PLB product portfolio, including:

- Cross-selling (e.g.: Continente gum's packaging advises its consumers to brush their teeth with Continente toothbrushes right after consuming the product – figure 20);

Figure 20 – Cross-selling suggestion in a PLB product.

- Development of a strong brand image through the new product design line – coherent and flexible across categories. In product categories where private label assumes market leadership, the product design is free to follow a line of its own (e.g.: Continente liquid yogurts). If there is already a solid brand leading the market, the product design must follow the same color-coding (e.g.: Lipton ice tea) – figure 21;

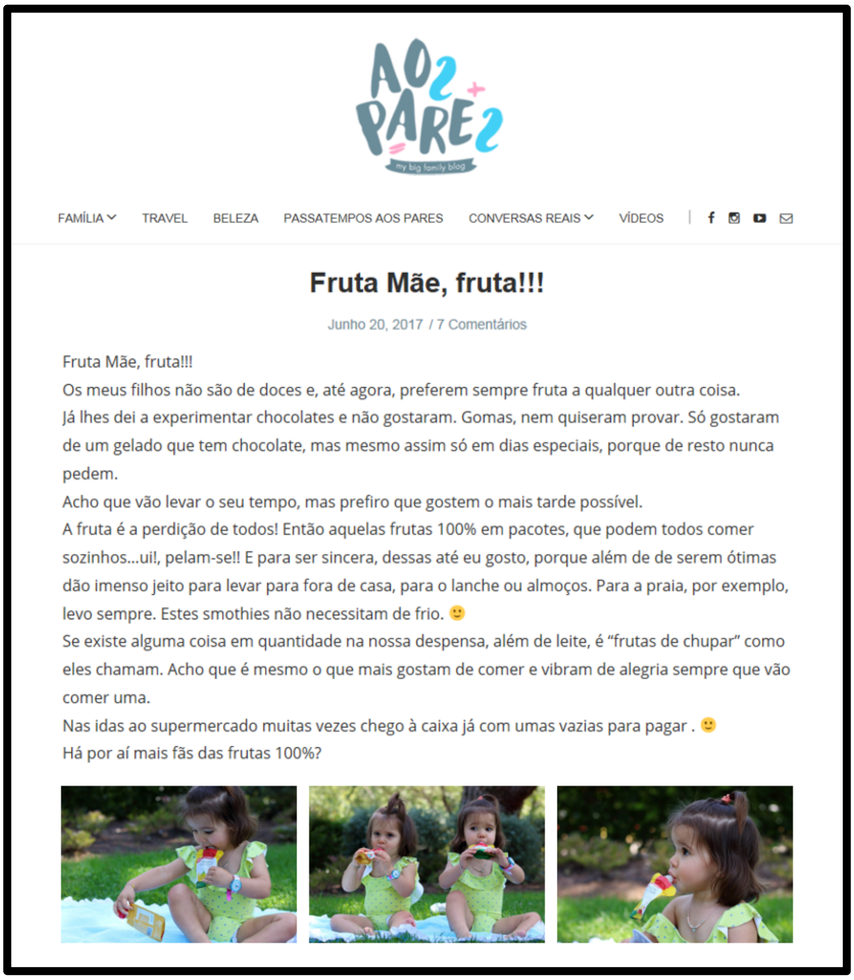
Figure 21 – SONAE PLBs new product visual line: different/similar color-coding.

- Development of partnerships to capture the attention and ease the communication with a specific target (e.g.: Partnership with Cartoon Network to create a product line for Continente Infantil based on Gumball and Adventure Times' image – figure 22);

Figure 22 – Leaflet communication on Continente Infantil oral hygiene product range.

- Electronic Word Of Mouth – eWOM (e.g.: Continente fruit smoothies' post on *Aos Pares* blog – Figure 23);

Figure 23 – Continente fruit smoothies' post on *Aos Pares* blog.



- In store initiatives to promote private label range of products (e.g. Weekend event with promoters to offer Gumball cereal bowls in the purchase of 3 Continente cereal boxes – figure 24);

Figure 24 – Weekend event to promote Gumball (Continente Infantil) product range.

- Product launch communication on digital platforms (e.g.: Continente Online and Continente facebook) and in the national press (e.g.: Continente Magazine and Sábado magazine);
- Tasting in-store events to boost the sales of new product launches (e.g.: Tasting event for Continente Seleção ice cream flavors' – figure 25);

Figure 25 – Tasting in-store event for new Continente Seleção ice cream flavors'.

- TV commercials such as the ones in the campaign "A confiança conquista-se produto a produto" (Trust is conquered product by product);
- Weekly leaflet communication.

6. Conceptual Framework

Ever since the economic downturn, consumers are more likely to include private label products in their shopping baskets (PLMA, 2015). PLBs tried to capitalize their growth through increasing investment in relationship marketing capable of retaining these consumers and also recruiting new ones. In light of this project, relationship marketing – the core construct – is seen as a multidimensional concept capable to influence consumer decisions while in a purchase process. Hence, it becomes imperative not only to study the various dimensions of this core construct, but also to understand the inter-relationship between all of them. In order to do that, a causal model suggested by Loureiro (2017) was used in which secondary constructs to be analyzed are the following – see figure 26:

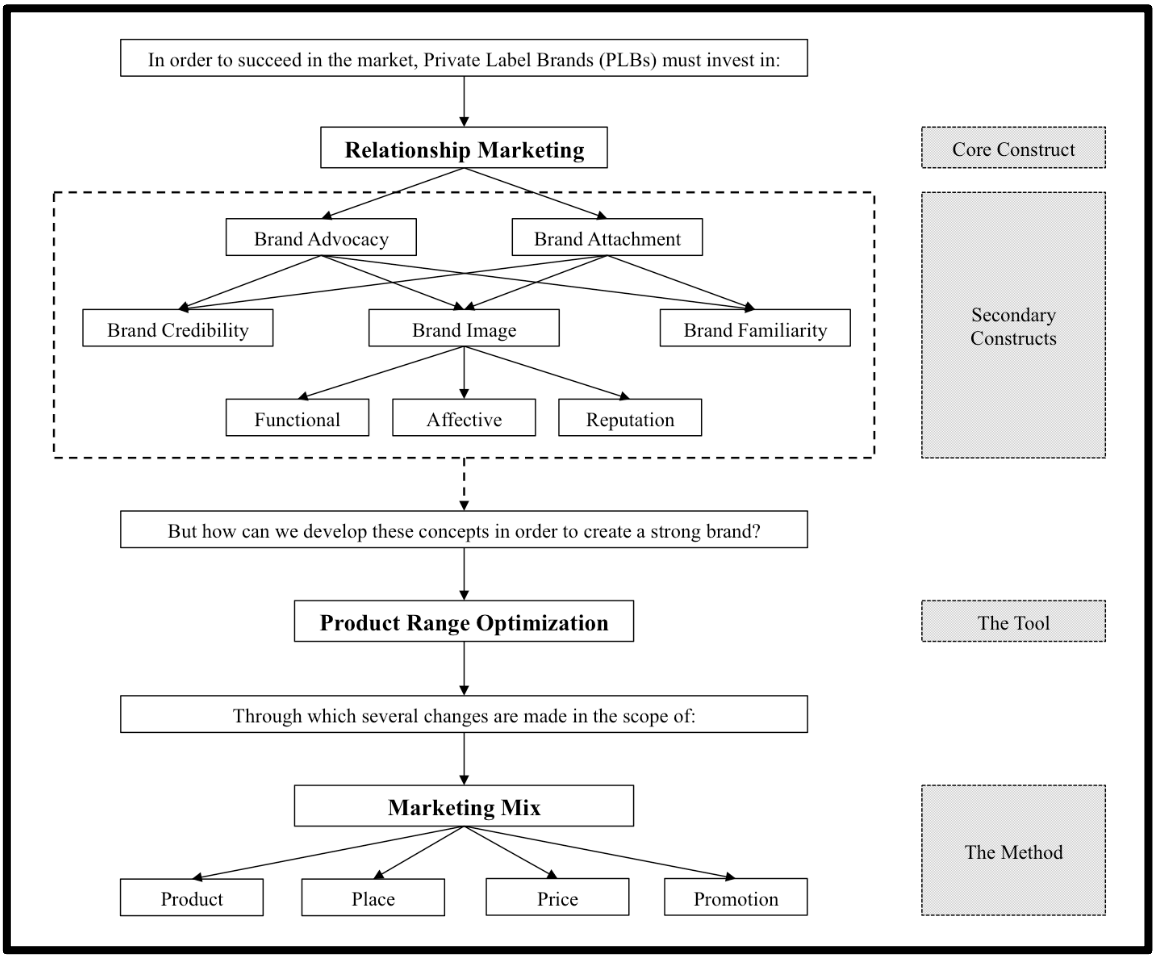
- **Brand advocacy** relies on the principle that consumers can act as advocates, introducing a specific loved brand to new customers for free (Ciceron, 2017);
- **Brand attachment** is said to be one of the main drivers for brand love (Japutra et al., 2014) and is presented as a prominent construct that expresses the approach by which consumers can relate themselves with a brand (Schmitt, 2012);
- **Brand credibility** consists of "*the believability of the product position information contained in a brand, which depends on the willingness and ability of firms to deliver what they promise*" (Erdem et al., 2006, p. 34);
- **Brand image** regards the consumer mental beliefs, feelings, representations and impressions over a certain brand. This complex construct comprises three different dimensions: functional, affective and reputation (Loureiro, 2017);
    - **Functional** dimension regards the quality standards and overall functional image about a certain brand (van Riel et al., 2001; Völckner and Sattler, 2006);
    - **Affective** dimension respects to intangible attributes or benefits of a certain brand (Sheinin and Schmitt, 1994);
    - **Reputation** dimension comprises the global attitude towards a certain brand (Hem et al., 2003).
- **Brand familiarity** refers to the mental or visual impression about a brand, which can generate not only positive attitudes but also purchase intentions (e.g. Laroche et al., 1996; Wang et al., 2013).

The success of PLBs relies on the secondary constructs' performance, which can be optimized through the definition and application of several measures capable of improving the overall perception consumers hold about private label. The Product Range Optimization (PRO) emerges as a meticulous market analysis implemented on a certain sub category, which main ambition is to make the right decisions for the product range to perform increasingly better over time. Resorting to several marketing mix decisions' at the Product, Price, Place and Promotion level (4Ps) will make it easier for PLBs to compete in equal terms with the most prestigious, well-known and famous NBs in the market.

Having in mind the relationship marketing construct (the core construct) and its variables (the secondary constructs), this project intends to study the positive impact of Product Range Optimization (the tool) – along with all the adjacent changes made in the product range through marketing mix (the method) variables – with the ultimate goal of building strong and consumer centric PLBs for SONAE MC.

All of the information above is schematized in figure 26 for better understanding of the conceptual reference framework under analysis.

Figure 26 – Schematized conceptual reference framework.



7. Methodology

The present questionnaire intends to analyze consumer perception over PLBs portfolio of SONAE MC. It was initially conceptualized in Portuguese to obtain sample responses – since clients of a national supermarket chain composed its target audience – and later translated into English for data analysis purposes.

This online questionnaire was pre-tested on five different individuals so as to identify all the possible improvements. After performing the necessary adjustments, responses were gathered not only in person but also through several digital communication platforms in order to obtain a diverse and representative sample of the population under analysis. The questionnaire was delivered through Google Forms and responses were gathered from August to September of 2017. All responses fulfilling the following assumptions were considered valid:

- The respondent is of legal age (+18 years old);
- The respondent visited a SONAE MC store in past 12 months (Continente, Continente Modelo, Continente Bom Dia and Meu Super stores).

Consumer groups for five different PLBs were under analysis in this questionnaire: Continente, Continente Equilíbrio, Continente Seleção, É Continente and MyLabel. This last PLB showed an insufficient representative sample to draw any conclusions about its group of consumers (11 responses). Moreover, MyLabel is currently going through a 360-degree restructuring process encompassing a product range, design and communication renewal that reduces the predisposition to obtain realistic and representative feedback from the consumer. Hence, in order to avoid potential biases, MyLabel responses were removed from the final analyzed sample.

Having this said, the final sample is composed by 534 respondents split by the four considered PLBs (an initial sample of 557 respondents was considered, from which were canceled 12 responses concerning individuals who did not visit a SONAE MC store in past 12 months and 11 responses regarding MyLabel consumers).

The questionnaire encompasses six different sections:

1. **Contextualization:** Explanation about the questionnaire scope of analysis, as well as its purpose, assumptions, expected response time and response anonymity model;
2. **Socio-demographic profile:** This section aims to provide an accurate sample distribution according to gender, age range, professional situation and number of people in the household;

3. **General opinion on PLBs:** Subdivision in which the respondent is asked to select (1) the three most privileged factors when choosing a PLB and (2) the distribution chain with the best assortment of PLB products';
4. **Assessing SONAE MC consumer profile:** The main goal of this section is for the respondent to (1) inform if he already detains a Continente client card and (2) select the most important SONAE PLB for him in a daily basis;
5. **Evaluation of the chosen PLB:** In this segment, the respondent is asked to classify all the following sentences in a Likert scale from 1 (strongly disagree) to 5 (totally agree) with the main aim of studying consumers' perception over SONAE PLBs based on the secondary constructs' evaluation model presented in table 2. Statements were presented randomly so that the respondent did not have any type of perception about the secondary construct under evaluation;

Table 2 – Secondary constructs along with its items and authors.

Secondary Construct	Item	Authors
Brand Advocacy	My evaluation of the brand is positive.	Bhattacharya & Sen, 2003 Loureiro, 2015
	This is a good brand.	
	I have a favorable evaluation of this brand.	
Brand Attachment	I feel attached to this brand.	Batra et al., 2012 Loureiro, 2017
	I feel bonded to this brand.	
	I feel connected to this brand.	
Brand Credibility	This brand delivers what it promises.	Erdem & Swait, 2004 Sweeney & Swait, 2008
	This brand's product claims are believable.	
	Over time, my experiences with this brand have led me to expect it to keep its promises, no more and no less.	
	This brand is committed to delivering on its claims, no more and no less.	
	This brand has a name I can trust.	
	This brand has the ability to deliver what it promises.	
Brand Image (Affective)	This brand is nice.	Candi & Kahn, 2016 Kotler, 2003
	This brand has a personality that distinguishes itself from competitors.	
	This brand doesn't disappoint its customers.	
Brand Image (Functional)	The products of this brand have a high quality.	
	The products of this brand have better characteristics than competitors.	
Brand Image (Reputation)	This is one of the best brands in the sector.	
	This brand has a consolidated position in the market.	
Brand Familiarity	This brand provides information that leads me to be familiar with the same.	Campbell & Keller, 2003 Loureiro et al., 2014
	This brand delivers experiences that lead me to be familiar with the same.	

6. **Evaluation of SONAE MC initiatives:** The last section of the questionnaire presents de client with a series of initiatives carried out by SONAE MC to improve the general perception about its PLBs. Similarly to the previous section, the respondent is asked to classify each of the initiatives in a Likert scale from 1 (strongly disagree) to 5 (totally agree). Using similar Likert scales in these sections (section 5 and section 6) will make it possible to investigate whether such initiatives are benefiting or undermining the current consumer's understanding over PLBs.

The Likert scale – named after its inventor, psychologist Rensis Likert – can be defined as a psychometric scale commonly used in research supported by questionnaires and adopts a five-level format in this questionnaire:

1. Strongly disagree;
2. Disagree;
3. Do not agree or disagree;
4. Agree;
5. Totally agree.

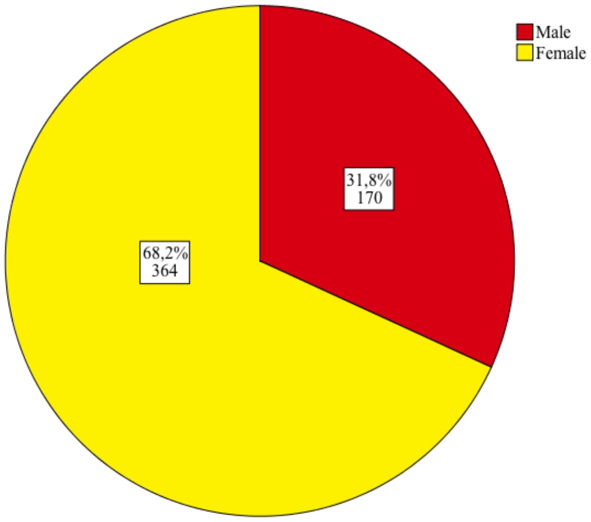
All tests, as well as their outputs, were performed using the IBM Statistical Package for Social Sciences (SPSS 24).

The following data and report analysis aims to provide a synthetized but profound and comprehensive overview into all SPSS outputs and draw the main findings about consumer perception over SONAE PLBs in the current marketplace. The analysis starts with a sample description based on socio-demographic characteristics that will ultimately draw the consumer profile for this project. In order to assure if the population can be accurately represented by the sample of 534 individuals that comprise the questionnaire, several Cronbach's alpha tests were performed. One the one hand, several statistical tests were completed for each secondary construct as so to determine its behavior across different PLBs (secondary construct vision). On the other hand, the same statistical tests were also performed on each PLB in order to determine its behavior across different secondary constructs (PLB vision). A comparison between the secondary constructs' evaluation and the initiatives performance is also found very useful to expose the initiatives with greatest impact on PLBs success. To conclude, a series of correlation analysis between the secondary constructs is performed in order to investigate the existence of any relationship between the concepts of brand advocacy, brand credibility, brand attachment, brand familiarity and brand image.

8. Report & Data Analysis

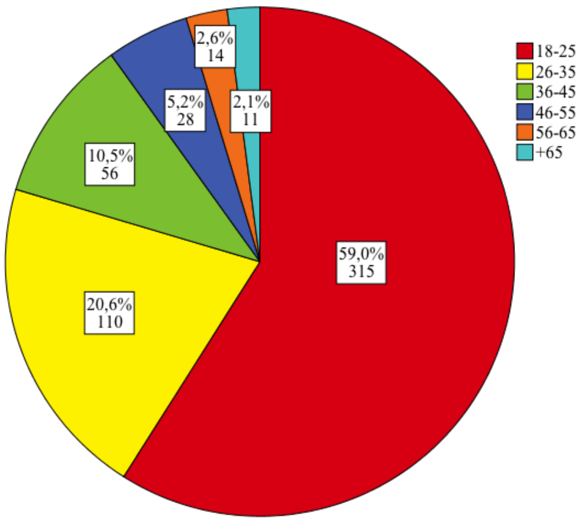
The sample of this questionnaire consists of 534 valid responses distributed by the various PLBs of SONAE MC. Most of the respondents belong to the female group (68.2% or 364 respondents), which contrasts with the 31.8% male group responses' (170 respondents) – see figure 27 and appendix 1.

Figure 27 – Distribution of respondents by gender.



Regarding age range (figure 28), the majority of respondents belong to the 18-25 age group (59% or 315 respondents), showing that more then a half of the sample is mostly young. The second most representative age group ranges from 26 to 35 years old and accounts for 20.6% of the respondents (110 respondents), followed by the 10.5% (56 respondents) from the 36-45 age group. The remaining 9.9% (53 respondents) are +45 years old and make up the total amount of 534 respondents – see also appendix 2.

Figure 28 – Distribution of respondents by age range.



It is also important to emphasize that, by analyzing the distribution of respondents' age range by gender (figure 29), it is possible to conclude that the ratio between female responses and male responses tends to decrease as age range increases: the highest ratio reaches 2.39 in 18-25 age range (meaning that the number of women in this age range is 2.39 times higher than the number of men) and the lowest equals 0.57 in the +65 age range (reverse trend, meaning that the number of men in this last age range is almost the double when compared to the number of women) – see table 3.

Figure 29 – Distribution of respondents' age range by gender.

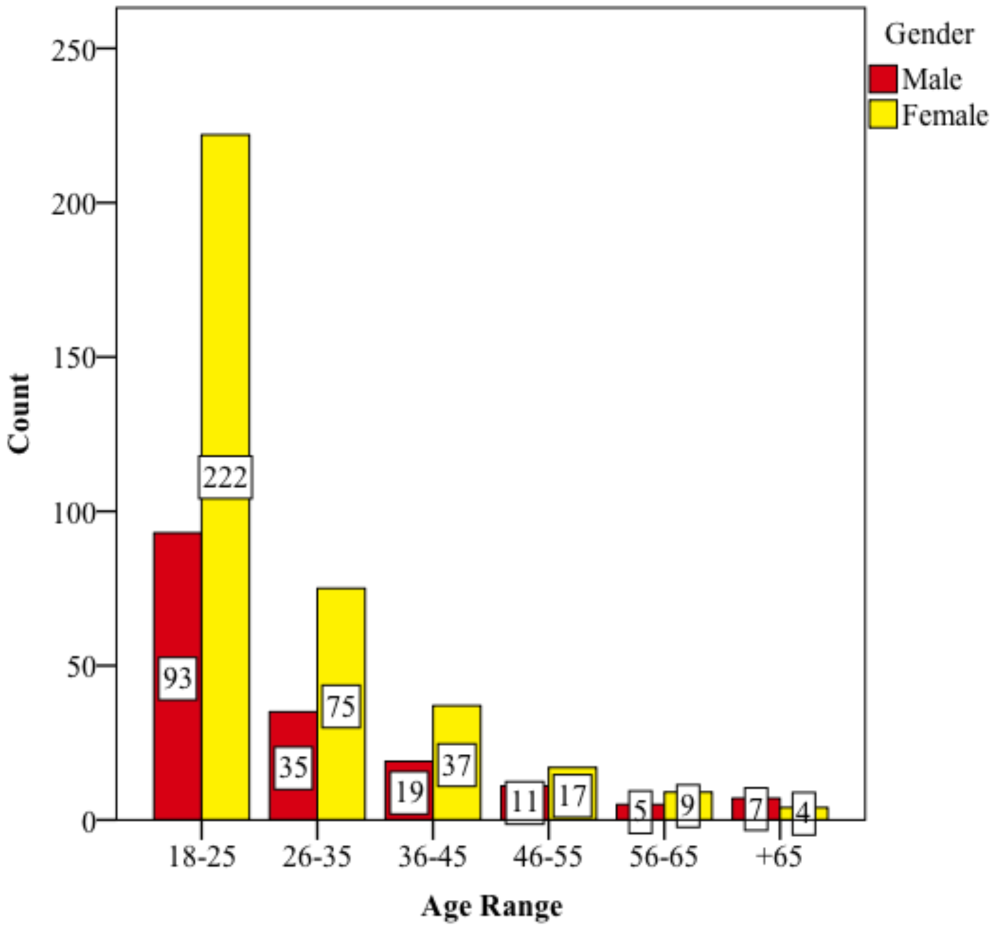
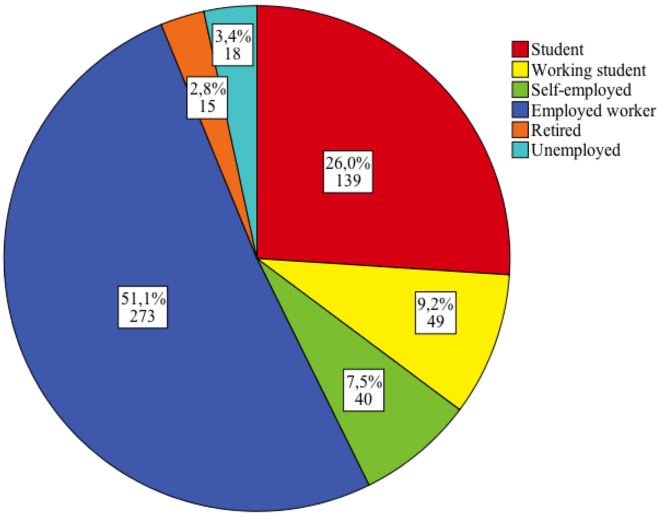


Table 3 – Ratio between female responses and male responses by age range.

Age Range	18-25	26-35	36-45	46-55	56-65	+65
A = Female responses	222	75	37	17	9	4
B = Male responses	93	35	19	11	5	7
C = Ratio = A/B	2.39	2.14	1.95	1.55	1.80	0.57

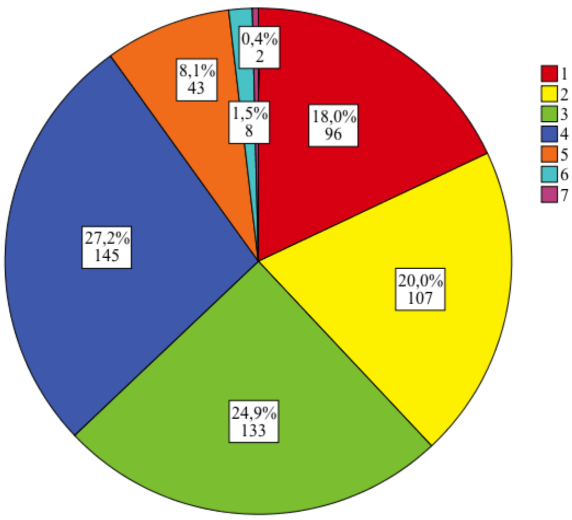
Regarding professional situation, approximately half of the sample is included in the employed worker class (51.1% or 273 respondents), followed by the student category, which accounts for more than ¼ of the sample (26% or 139 respondents). The less representative group is the retired class (2.8% or 15 respondents) – see figure 30 and appendix 3.

Figure 30 – Distribution of respondents by professional situation.



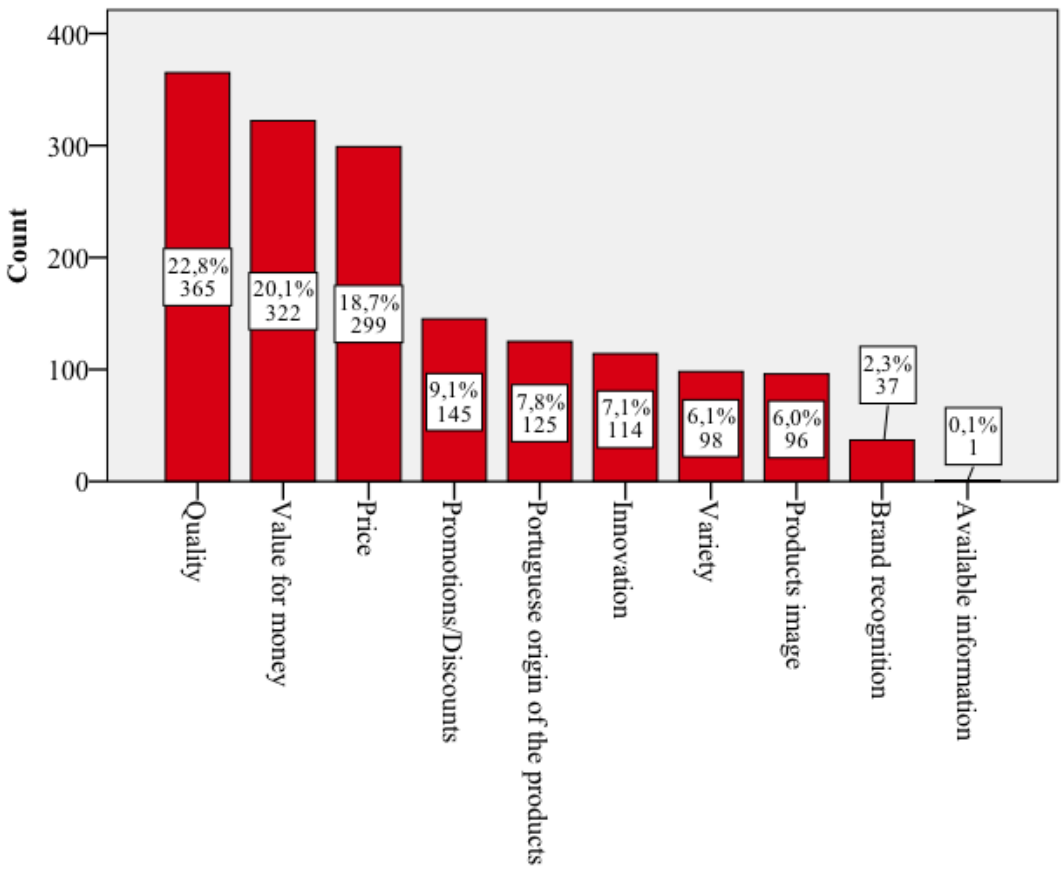
Concerning the distribution of respondents according to the number of people in the household, the scenario is balanced for families with 2 to 4 people in the household: 4 people lists the highest rank (27.2% or 145 respondents), followed by 3 people (24.9% or 133 respondents) and 2 people (20% and 107 respondents). The number of respondents with 1 person in the household also assumes a significant place, accounting for 18% of the sample and a total of 96 respondents – see figure 31 and appendix 4.

Figure 31 – Distribution of respondents by number of people in the household.



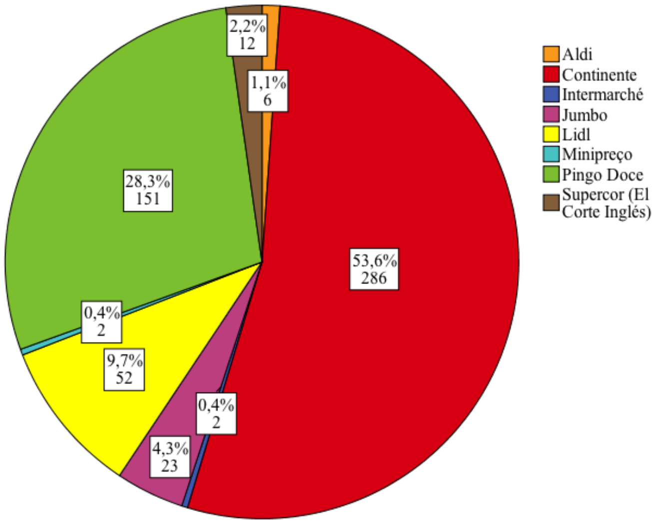
When questioning the consumer about the 3 most privileged factors when choosing a PLB, quality appears as the first in the ranking with 22.8% (365 respondents), followed by value for money in second place accounting for 20.1% (322 respondents) and price in third place with 18.7% of the sample (299 respondents). Factors such as promotions/discounts, Portuguese origin of the products, innovation, variety and products image appear mostly and secondary factors, assuming a complementary function in consumers mind (each of these factors accounts for 6% to 9% of the sample) – see figure 32.

Figure 32 – The most privileged factors when choosing a PLB.



When selecting the distribution chain with the best assortment of PLB products', the data seems to follow the current market leadership ranking (according to Nielsen reports) for players in national retail sector. Continente appears in first place with 53.6% of consumers favoring its PLBs, followed by Pingo Doce with 28.3% of consumer PLBs preferences (151 respondents) and Lidl accounting for almost 10% of preferences (9.7% or 52 respondents) – see figure 33 and appendix 5.

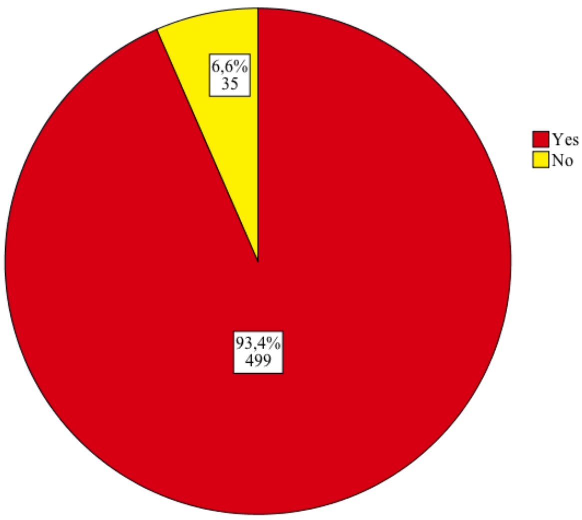
Figure 33 – **Distribution chains with the best assortment of PLB products'.**



With respect to the number and percentage of respondents with/without a Continente client card, it is possible to claim that almost 95% of the sample (93.4% or 499 respondents) is already listed in SONAE MC database. The percentage of respondents that holds a client card (93.4% in figure 34 and appendix 6) is much higher than the percentage of respondents that recognize Continente PLBs as the best in the market (53.6% in figure 33), meaning that:

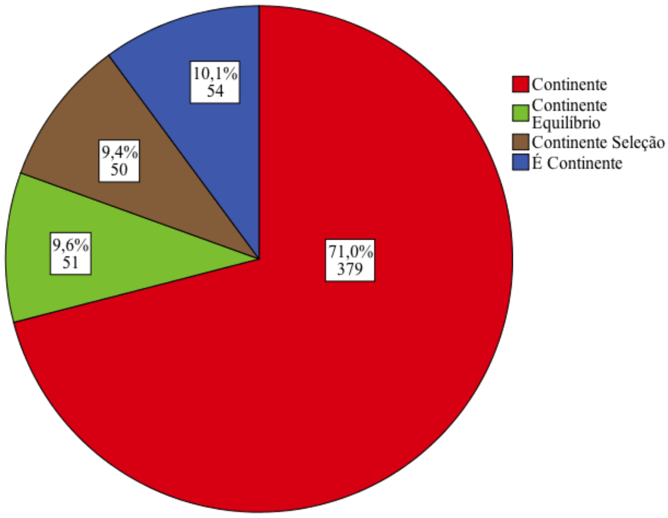
- If clients buy some of Continente PLBs products', they do not recognize them as the best ones in the market → There is space for improvement;
- If clients do not buy any PLB product at Continente, at least some of their shopping basket is obtained in these stores → There is space to turn these clients into private label consumers for Continente PLBs.

Figure 34 – Number and % of respondents with/without Continente card in the household.



Being Continente brand the major PLB of SONAE – the one involving not only the largest number of SKUs but also encompassing all the other PLBs – it was already expected from most of the respondents to select this brand as the most important for them in a daily basis (71% or 379 respondents). All the other brands are considered to be sub PLBs as they arise from the major brand and offer a product range with specific characteristics. Each of them (Continente Equilíbrio, Continente Seleção and É Continente) accounts for 9% to 10% of respondents opinions' – see figure 35 and appendix 7.

Figure 35 – The most important PLBs at SONAE MC in daily basis.



In order to study consumers' perception over SONAE PLBs based on the secondary constructs' evaluation, each respondent was asked to classify all the following sentences in a Likert scale from 1 (totally disagree) to 5 (totally agree) – see table 4.

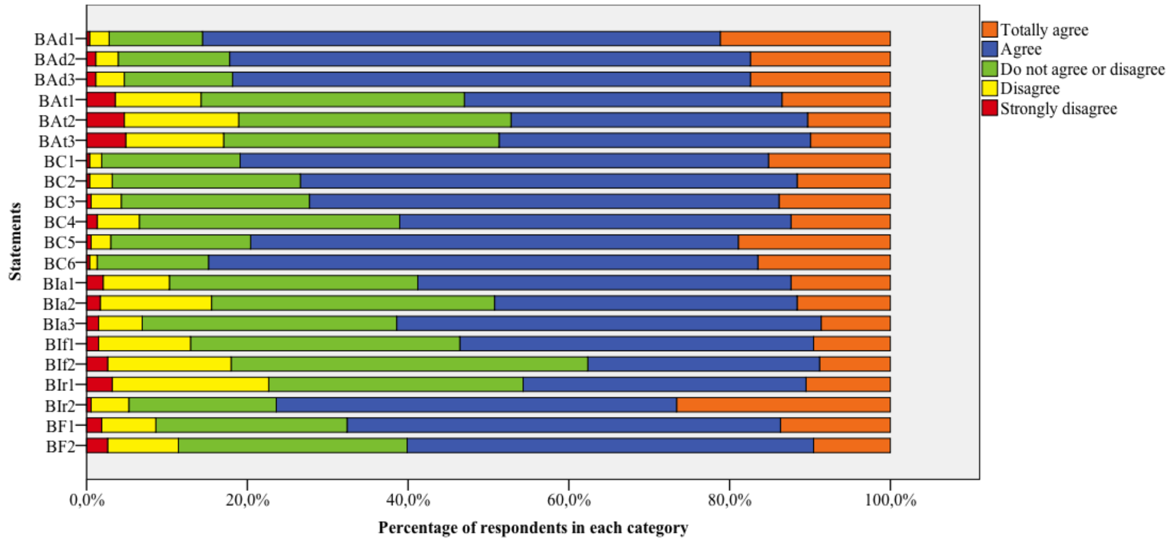
The sample of 534 valid responses was initially examined through Cronbach's alpha to ascertain the reliability of the psychometric test in each secondary construct. Since every Chronbach's alpha > 0.7 it is possible to claim that the average correlation of these items is accurately representative of the average correlation of the population.

Most responses focus on level 4 (agree), as it is possible to examine by the blue stain in figure 36. It is also important to emphasize that the best score of SONAE PLBs occurs for brand advocacy (with a mean of 3.97), closely followed by brand credibility (3.86), brand familiarity (3.63), brand image (3.52) and, at last, brand attachment (3.40). Although these results may suggest the demand for investment in initiatives to improve brand attachment (the construct with the lowest mean rank), it is crucial for PLBs to understand that only by designing an integrated and consistent strategic plan capable of focusing simultaneously on the most diverse constructs it will then be possible for them to succeed in the marketplace.

Table 4 – Secondary constructs along with its items, Cronbach's α and mean.

Construct	Item	Cronbach's α	Mean (appendix 15)
Brand Advocacy	My evaluation of the brand is positive.	0.886 (appendix 8)	3.97
	This is a good brand.		
	I have a favorable evaluation of this brand.		
Brand Attachment	I feel attached to this brand.	0.909 (appendix 9)	3.40
	I feel bonded to this brand.		
	I feel connected to this brand.		
Brand Credibility	This brand delivers what it promises.	0.884 (appendix 10)	3.86
	This brand's product claims are believable.		
	Over time, my experiences with this brand have led me to expect it to keep its promises, no more and no less.		
	This brand is committed to delivering on its claims, no more and no less.		
	This brand has a name I can trust.		
	This brand has the ability to deliver what it promises.		
Brand Image (Affective)	This brand is nice.	0.858 (appendix 11)	3.52
	This brand has a personality that distinguishes itself from competitors.		
	This brand doesn't disappoint its customers.		
Brand Image (Functional)	The products of this brand have a high quality.		
	The products of this brand have better characteristics than competitors.		
Brand Image (Reputation)	This is one of the best brands in the sector.		
	This brand has a consolidated position in the market.		
Brand Familiarity	This brand provides information that leads me to be familiar with the same.	0730 (appendix 12)	3.63
	This brand delivers experiences that lead me to be familiar with the same.		

Figure 36 – Respondents agreements with each of the following sentences according to the PLB selected (Likert scale from 1 to 5) – Secondary constructs items'.



Statements Subtitles'		
Construct	**Item**	**Item Description**
Brand Advocacy	BAd1	My evaluation of the brand is positive.
	BAd2	This is a good brand.
	BAd3	I have a favorable evaluation of this brand.
Brand Attachment	BAt1	I feel attached to this brand.
	BAt2	I feel bonded to this brand.
	BAt3	I feel connected to this brand.
Brand Credibility	BC1	This brand delivers what it promises.
	BC2	This brand's product claims are believable.
	BC3	Over time, my experiences with this brand have led me to expect it to keep its promises, no more and no less.
	BC4	This brand is committed to delivering on its claims, no more and no less.
	BC5	This brand has a name I can trust.
	BC6	This brand has the ability to deliver what it promises.
Brand Image (Affective)	BIa1	This brand is nice.
	BIa2	This brand has a personality that distinguishes itself from competitors.
	BIa3	This brand doesn't disappoint its customers.
Brand Image (Functional)	BIf1	The products of this brand have a high quality.
	BIf2	The products of this brand have better characteristics than competitors.
Brand Image (Reputation)	BIf1	This is one of the best brands in the sector.
	BIf2	This brand has a consolidated position in the market.
Brand Familiarity	BF1	This brand provides information that leads me to be familiar with the same.
	BF2	This brand delivers experiences that lead me to be familiar with the same.

In order to verify if the secondary constructs' evaluation varies according to the chosen PLB, an Oneway ANOVA test was performed.

Justification for the test application:

- Since secondary construct evaluation is a quantitative variable (dependent) and the chosen PLB is a qualitative nominal variable (independent), which defines four independent groups, for which it is sought to verify if the secondary construct evaluation mean' varies according to the chosen PLB, the Oneway ANOVA test is applied.

Assumptions:

- Independence of samples;
- The four samples are taken from normally distributed populations, i.e. by the application of the Central Limit Theorem, since there is a large sample (n>30), it is possible to say that the sample distribution mean is approximately normal and, by consequence, that the distribution should be approximately normal;
- Homogeneity of variances of the secondary construct evaluation obtained in the four population groups (Continente sample, Continente Equilíbrio sample, Continente Seleção sample and É Continente sample).

Verification of assumptions:

- Continente sample, Continente Equilíbrio sample, Continente Seleção sample and É Continente sample are not related to each other. Therefore, the assumption of independence of samples is verified;
- There is a large sample for the four PLBs (n>30) – Continente (n=379>30), Continente Equilíbrio (n=51>30), Continente Seleção (n=50>30) and É Continente (n=54>30). Applying the Central Limit Theorem, the samples can be considered to be taken from normally distributed populations;
- A Levene test is performed in order to test the assumption of homogeneity of the variances – see table 5 and table 6. The test hypotheses are the following:
  - **H_0:** The four PLB groups' have the same variance of the secondary construct evaluation, i.e. the variance of the evaluation is identical in the four groups;
  - **H_a:** There is at least one PLB that has variance of the evaluation obtained different from the others, i.e. the variance of the evaluation is different in at least one of the four groups.

- Decision rules for Levene test:
  - Do not reject H_0 if Sig > $\alpha = 0.05$
  - Reject H_0 (accept H_a) if Sig $\leq \alpha = 0.05$

Table 5 – Oneway ANOVA test: Levene test of homogeneity of variances.

Test of Homogeneity of Variances

	Levene Statistic	df1	df2	Sig.
Brand Advocacy	5,532	3	530	,001
Brand Credibility	5,073	3	530	,002
Brand Attachment	1,451	3	530	,227
Brand Familiarity	1,671	3	530	,172
Brand Image	2,284	3	530	,078
Brand Image (Affective)	1,715	3	530	,163
Brand Image (Functional)	2,347	3	530	,072
Brand Image (Reputation)	2,028	3	530	,109

Table 6 – Oneway ANOVA test: Levene test analysis by secondary construct.

Secondary Construct	Levene Test Analysis	Decision
Brand Advocacy	Levene (3; 530) = 5.532; Sig = 0.001 < $\alpha = 0.05$	Reject H_0
Brand Credibility	Levene (3; 530) = 5.073; Sig = 0.002 < $\alpha = 0.05$	
Brand Attachment	Levene (3; 530) = 1.451; Sig = 0.227 > $\alpha = 0.05$	Do not reject H_0
Brand Familiarity	Levene (3; 530) = 1.671; Sig = 0.172 > $\alpha = 0.05$	
Brand Image	Levene (3; 530) = 2.284; Sig = 0.078 > $\alpha = 0.05$	
Brand Image (Affective)	Levene (3; 530) = 1.715; Sig = 0.163 > $\alpha = 0.05$	
Brand Image (Functional)	Levene (3; 530) = 2.347; Sig = 0.072 > $\alpha = 0.05$	
Brand Image (Reputation)	Levene (3; 530) = 2.028; Sig = 0.109 > $\alpha = 0.05$	

For the secondary constructs brand advocacy and brand credibility: Sig < $\alpha = 0.05$. Therefore, the null hypothesis of the variances is rejected, i.e. they are assumed to be different in at least one of the four groups. As the assumption of homogeneity of the variances is not verified, further tests are required in order to proceed with the analysis (Kruskal-Wallis test for 4 independent samples).

For the secondary constructs brand attachment, brand familiarity, brand image, brand image (affective), brand image (functional) and brand image (reputation): Sig > $\alpha = 0.05$. Therefore, the null hypothesis of the variances is not rejected, i.e. they are assumed to be equal. The assumption of homogeneity of the variances is verified. The Oneway ANOVA test (see table

7, table 8 and appendix 13) can then be performed for these constructs, which hypotheses are the following:

- **H_0:** The four PLB groups' have the same secondary construct evaluation mean, i.e. the evaluation mean is identical in the four groups;
- **H_a:** There is at least one PLB that has a different evaluation mean from the others, i.e. the evaluation mean is different in at least one of the four groups.
- Decision rules for Oneway ANOVA test:
  - Do not reject H_0 if Sig > $\alpha = 0.05$
  - Reject H_0 (accept H_a) if Sig $\leq \alpha = 0.05$

Table 7 – Oneway ANOVA test: ANOVA.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Brand Attachment	Between Groups	9,799	3	3,266	4,044	,007
	Within Groups	428,104	530	,808		
	Total	437,904	533			
Brand Familiarity	Between Groups	2,544	3	,848	1,439	,231
	Within Groups	312,398	530	,589		
	Total	314,942	533			
Brand Image	Between Groups	7,563	3	2,521	6,070	,000
	Within Groups	220,144	530	,415		
	Total	227,707	533			
Brand Image (Affective)	Between Groups	9,273	3	3,091	6,840	,000
	Within Groups	239,501	530	,452		
	Total	248,774	533			
Brand Image (Functional)	Between Groups	31,647	3	10,549	17,682	,000
	Within Groups	316,193	530	,597		
	Total	347,841	533			
Brand Image (Reputation)	Between Groups	7,724	3	2,575	4,396	,005
	Within Groups	310,410	530	,586		
	Total	318,133	533			

Table 8 – Oneway ANOVA test analysis by secondary construct.

Secondary Construct	Oneway ANOVA Test Analysis	Decision
Brand Attachment	Sig = 0.007 < $\alpha = 0.05$	Reject H_0
Brand Familiarity	Sig = 0.231 > $\alpha = 0.05$	Do not reject H_0
Brand Image	Sig = 0.000 < $\alpha = 0.05$	Reject H_0
Brand Image (Affective)	Sig = 0.000 < $\alpha = 0.05$	Reject H_0
Brand Image (Functional)	Sig = 0.000 < $\alpha = 0.05$	Reject H_0
Brand Image (Reputation)	Sig = 0.005 < $\alpha = 0.05$	Reject H_0

For the secondary construct brand familiarity, the null hypothesis is not rejected since Sig = 0.231 > $\alpha = 0.05$. Hence, it is possible to conclude that the evaluation mean is identical for Continente, Continente Equilíbrio, Continente Seleção and É Continente.

For the secondary constructs brand attachment, brand image, brand image (affective), brand image (functional) and brand image (reputation), the null hypothesis is rejected since Sig < $\alpha = 0.05$. Thus, the evaluation mean is said to be different in at least one of the four groups and further tests are required in order to proceed with the analysis (Post-hoc tests). The Scheffe test (Post-hoc test) assists the identification of the pairs of population groups that differ in average terms. These are the hypotheses for Scheffe test:

- **H_0:** The mean difference is not significant between the two PLBs in analysis.
- **H_a:** There is a significant difference between the mean of two different PLBs.
- Decision rules for Oneway ANOVA test:
  - Do not reject H_0 if Sig > $\alpha = 0.05$
  - Reject H_0 (accept H_a) if Sig $\leq \alpha = 0.05$

After performing the Scheffe test on some of the secondary constructs (table 10) it is possible to claim that certain PLBs register a significant difference regarding the evaluation on a certain secondary construct (table 9).

Table 9 – Post-hoc tests: Scheffe test analysis by secondary construct.

Secondary Construct	PLBs	Sig
Brand Attachment	NA	NA
Brand Image	Continente VS Continente Seleção	0.030
	Continente Equilíbrio VS É Continente	0.037
	Continente Seleção VS É Continente	0.002
Brand Image (Affective)	Continente VS Continente Equilíbrio	0.029
	Continente VS Continente Seleção	0.024
	Continente Equilíbrio VS É Continente	0.015
	Continente Seleção VS É Continente	0.013
Brand Image (Functional)	Continente VS Continente Equilíbrio	0.002
	Continente VS Continente Seleção	0.000
	Continente Equilíbrio VS É Continente	0.000
	Continente Seleção VS É Continente	0.000
Brand Image (Reputation)	NA	NA

Table 10 – Post-hoc tests: Scheffe test.

Multiple Comparisons

Scheffe

Dependent Variable	(I) Which of the brands do you consider most important in a daily basis?	(J) Which of the brands do you consider most important in a daily basis?	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval Lower Bound	95% Confidence Interval Upper Bound
Brand Attachment	Continente	Continente Equilíbrio	-,29350	,13405	,189	-,6694	,0824
		Continente Seleção	-,32644	,13523	,122	-,7057	,0528
		É Continente	,14369	,13073	,751	-,2229	,5103
	Continente Equilíbrio	Continente	,29350	,13405	,189	-,0824	,6694
		Continente Seleção	-,03294	,17887	,998	-,5346	,4687
		É Continente	,43718	,17549	,103	-,0550	,9293
	Continente Seleção	Continente	,32644	,13523	,122	-,0528	,7057
		Continente Equilíbrio	,03294	,17887	,998	-,4687	,5346
		É Continente	,47012	,17639	,070	-,0246	,9648
	É Continente	Continente	-,14369	,13073	,751	-,5103	,2229
		Continente Equilíbrio	-,43718	,17549	,103	-,9293	,0550
		Continente Seleção	-,47012	,17639	,070	-,9648	,0246
Brand Image	Continente	Continente Equilíbrio	-,16648	,09613	,393	-,4361	,1031
		Continente Seleção	-,29124*	,09697	,030	-,5632	-,0193
		É Continente	,20125	,09374	,204	-,0617	,4642
	Continente Equilíbrio	Continente	,16648	,09613	,393	-,1031	,4361
		Continente Seleção	-,12476	,12826	,814	-,4845	,2350
		É Continente	,36772*	,12584	,037	,0148	,7206
	Continente Seleção	Continente	,29124*	,09697	,030	,0193	,5632
		Continente Equilíbrio	,12476	,12826	,814	-,2350	,4845
		É Continente	,49249*	,12649	,002	,1378	,8472
	É Continente	Continente	-,20125	,09374	,204	-,4642	,0617
		Continente Equilíbrio	-,36772*	,12584	,037	-,7206	-,0148
		Continente Seleção	-,49249*	,12649	,002	-,8472	-,1378
Brand Image (Affective)	Continente	Continente Equilíbrio	-,30260*	,10026	,029	-,5838	-,0214
		Continente Seleção	-,31201*	,10114	,024	-,5957	-,0284
		É Continente	,12478	,09778	,653	-,1494	,3990
	Continente Equilíbrio	Continente	,30260*	,10026	,029	,0214	,5838
		Continente Seleção	-,00941	,13378	1,000	-,3846	,3658
		É Continente	,42738*	,13126	,015	,0593	,7955
	Continente Seleção	Continente	,31201*	,10114	,024	,0284	,5957
		Continente Equilíbrio	,00941	,13378	1,000	-,3658	,3846
		É Continente	,43679*	,13193	,013	,0668	,8068
	É Continente	Continente	-,12478	,09778	,653	-,3990	,1494
		Continente Equilíbrio	-,42738*	,13126	,015	-,7955	-,0593
		Continente Seleção	-,43679*	,13193	,013	-,8068	-,0668

Table 10 – Post-hoc tests: Scheffe test.

Multiple Comparisons

Scheffe

Dependent Variable	(I) Which of the brands do you consider most important in a daily basis?	(J) Which of the brands do you consider most important in a daily basis?	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval Lower Bound	95% Confidence Interval Upper Bound
Brand Image (Functional)	Continente	Continente Equilíbrio	-,44506*	,11520	,002	-,7681	-,1220
		Continente Seleção	-,66976*	,11622	,000	-,9957	-,3438
		É Continente	,22542	,11235	,260	-,0897	,5405
	Continente Equilíbrio	Continente	,44506*	,11520	,002	,1220	,7681
		Continente Seleção	-,22471	,15372	,545	-,6558	,2064
		É Continente	,67048*	,15082	,000	,2475	1,0934
	Continente Seleção	Continente	,66976*	,11622	,000	,3438	,9957
		Continente Equilíbrio	,22471	,15372	,545	-,2064	,6558
		É Continente	,89519*	,15159	,000	,4700	1,3203
	É Continente	Continente	-,22542	,11235	,260	-,5405	,0897
		Continente Equilíbrio	-,67048*	,15082	,000	-1,0934	-,2475
		Continente Seleção	-,89519*	,15159	,000	-1,3203	-,4700
Brand Image (Reputation)	Continente	Continente Equilíbrio	,31629	,11415	,054	-,0038	,6364
		Continente Seleção	,11844	,11515	,787	-,2045	,4414
		É Continente	,29178	,11132	,077	-,0204	,6040
	Continente Equilíbrio	Continente	-,31629	,11415	,054	-,6364	,0038
		Continente Seleção	-,19784	,15231	,640	-,6250	,2293
		É Continente	-,02451	,14943	,999	-,4436	,3946
	Continente Seleção	Continente	-,11844	,11515	,787	-,4414	,2045
		Continente Equilíbrio	,19784	,15231	,640	-,2293	,6250
		É Continente	,17333	,15020	,722	-,2479	,5946
	É Continente	Continente	-,29178	,11132	,077	-,6040	,0204
		Continente Equilíbrio	,02451	,14943	,999	-,3946	,4436
		Continente Seleção	-,17333	,15020	,722	-,5946	,2479

*. The mean difference is significant at the 0.05 level.

A Kruskal-Wallis test for 4 independent samples was performed in order to test if the PLBs distribution is the same for brand advocacy and brand credibility constructs – see table 11 and table 12. The test hypotheses are the following:

- **H_0:** The four PLB groups' have the same evaluation distribution for the secondary construct under analysis;
- **H_a:** Not all the four PLB groups' have the same evaluation distribution for the secondary construct under analysis.
- Decision rules for Kruskal-Wallis test:
  - Do not reject H_0 if Sig > $\alpha = 0.05$
  - Reject H_0 (accept H_a) if Sig $\leq \alpha = 0.05$

Table 11 – Kruskal-Wallis test: ranks.

Ranks

	Which of the brands do you consider most important in a daily basis?	N	Mean Rank
Brand Advocacy	Continente	379	258,50
	Continente Equilíbrio	51	325,10
	Continente Seleção	50	314,07
	É Continente	54	233,14
	Total	534	
Brand Credibility	Continente	379	262,84
	Continente Equilíbrio	51	314,48
	Continente Seleção	50	284,55
	É Continente	54	240,08
	Total	534	

Table 12 – Kruskal-Wallis test: test statistics.

Test Statistics[a,b]

	Brand Advocacy	Brand Credibility
Chi-Square	17,586	7,543
df	3	3
Asymp. Sig.	,001	,056

a. Kruskal Wallis Test

b. Grouping Variable: Which of the brands do you consider most important in a daily basis?

For the secondary construct brand advocacy, the null hypothesis is rejected as Sig = 0.001 > α = 0.05. Hence, it is possible to conclude that not all the four PLB groups' have the same evaluation distribution for this secondary construct.

For the secondary construct brand credibility, the null hypothesis is not rejected since Sig = 0.056 > α = 0.05. Hence, it is possible to conclude that the four PLB groups' have the same evaluation distribution for this secondary construct.

After performing these analyzes, the main conclusions can be recapped in table 13.

Table 13 – Main conclusions about secondary constructs' analyzes.

<table>
<tr><th>Secondary Construct</th><th>Comment</th></tr>
<tr><td>Brand Advocacy</td><td>Based on Kruskal-Wallis test outputs', the evaluation mean for this construct is considered to be different according to the chosen PLB. There is a significant gap between É Continente (3.77) and Continente Seleção (4.17) mean, representative of each brand's positioning – see figure 37.</td></tr>
<tr><td>Brand Credibility</td><td>According to Kruskal-Wallis test, the evaluation distribution is similar for the 4 PLBs, ranging from 3.74 to 4.03 – see figure 39. Hence, brand credibility is recognized by the consumer as equal regardless the PLB considered.</td></tr>
<tr><td>Brand Attachment</td><td>Having in mind the Scheffe test result (Post-hoc test), it is possible to claim that there is no significant difference between the PLB means'. Although É Continente presents the lowest mean result in this construct (see figure 38), there is no major differentiation between the consumer-brand bonds.</td></tr>
<tr><td>Brand Familiarity</td><td>Oneway ANOVA analysis shows that the evaluation mean is identical for the 4 PLBs, ranging from 3.44 to 3.72 – see figure 41. The consumer has similar familiarity level towards all PLBs.</td></tr>
<tr><td>Brand Image</td><td rowspan="3">The Scheffe test outputs (Post-hoc test) specify a significant difference between the means of different PLB pairs. As shown by tables 40, 42 and 43, the most substantial disparity occurs when comparing the means of É Continente and Continente Seleção. These results not only reflect the overall tendency presented in figure 45, but also the disparities in terms of communication investment to build a strong and well-recognized brand.</td></tr>
<tr><td>Brand Image (Affective)</td></tr>
<tr><td>Brand Image (Functional)</td></tr>
<tr><td>Brand Image (Reputation)</td><td>Examination of Scheffe test results (Post-hoc test) suggests no significant difference between the PLB means regarding reputational brand image – see figure 44.</td></tr>
</table>

Figure 37 – Behavior of brand advocacy mean in different SONAE PLBs.

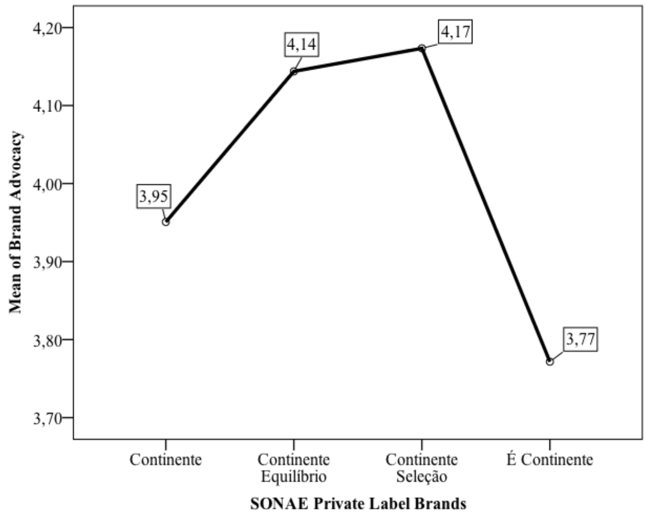


Figure 38 – Behavior of brand attachment mean in different SONAE PLBs.

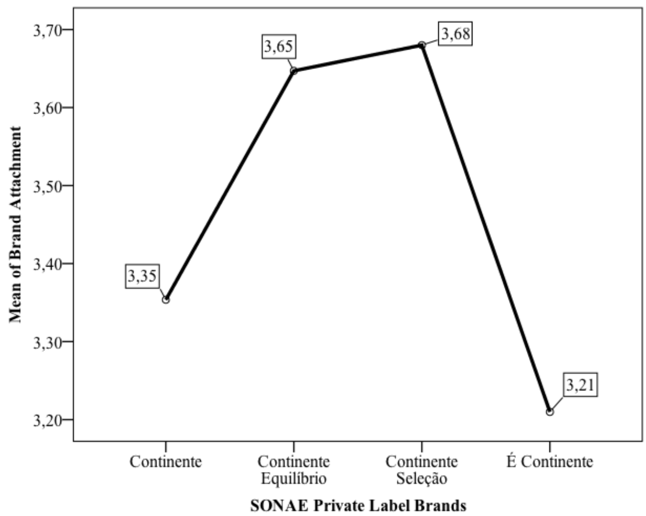


Figure 39 – Behavior of brand credibility mean in different SONAE PLBs.

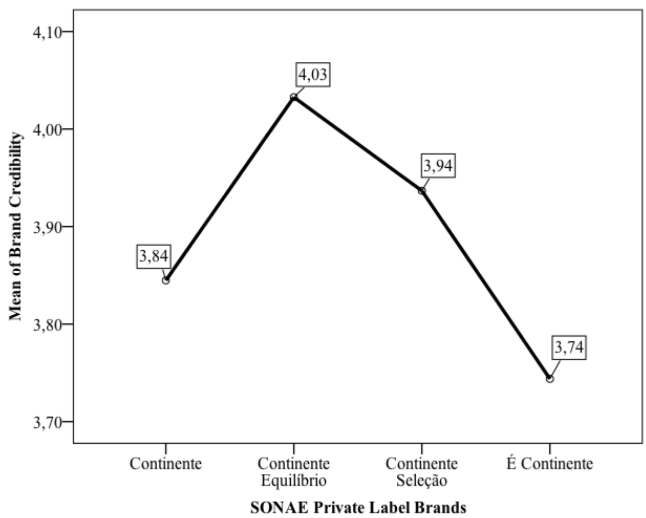


Figure 40 – Behavior of brand image mean in different SONAE PLBs.

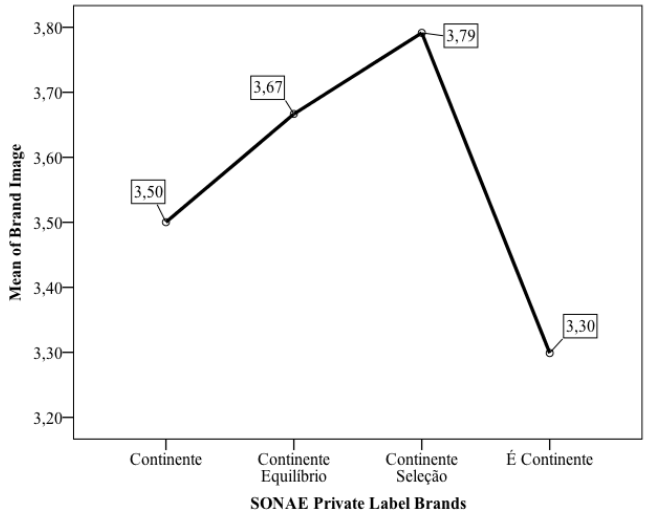


Figure 41 – Behavior of brand familiarity mean in different SONAE PLBs.

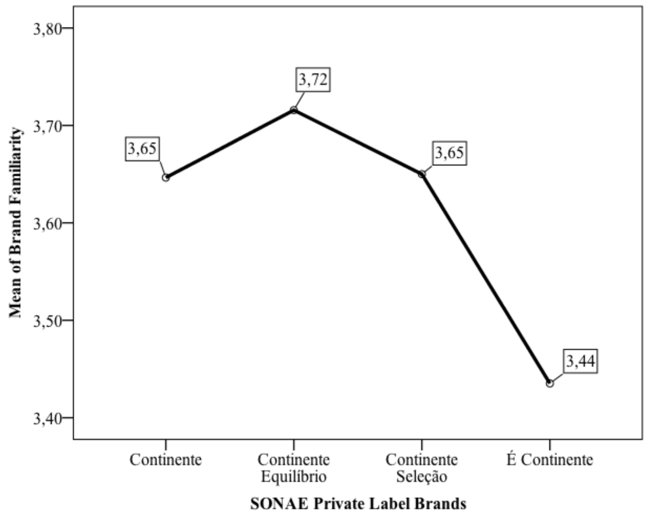


Figure 42 – Behavior of brand image (affective) mean in different SONAE PLBs.

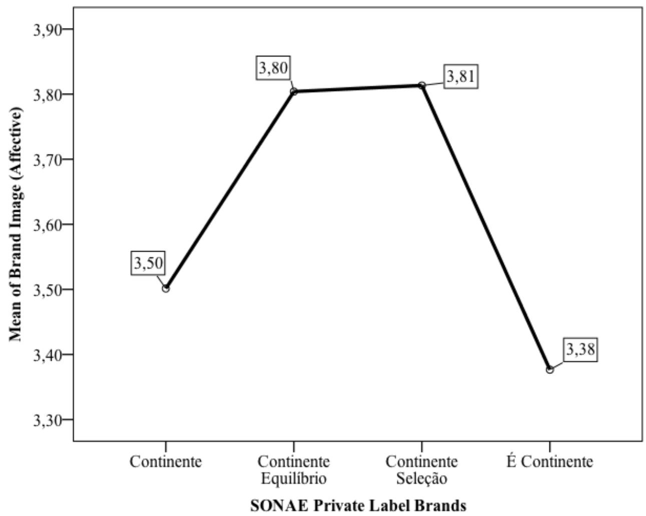


Figure 43 – Behavior of brand image (functional) mean in different SONAE PLBs.

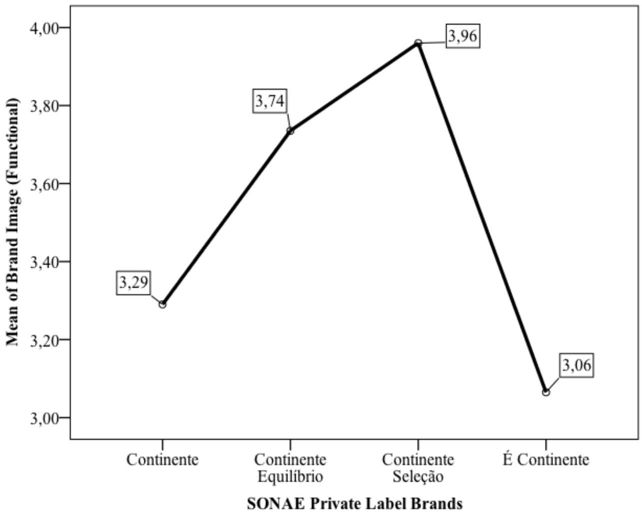


Figure 44 – Behavior of brand image (reputation) mean in different SONAE PLBs.

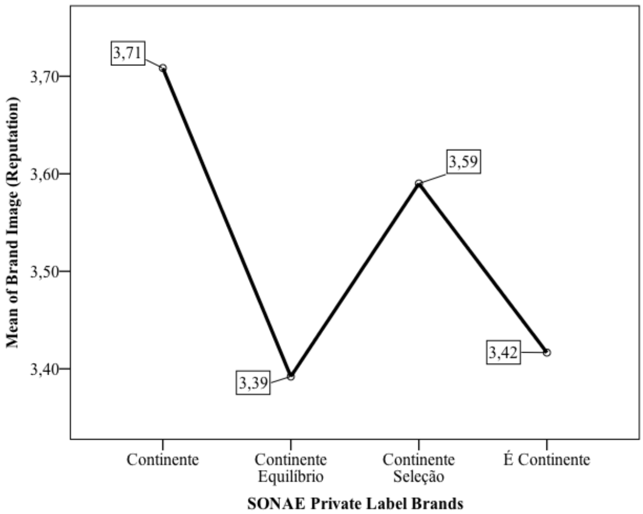
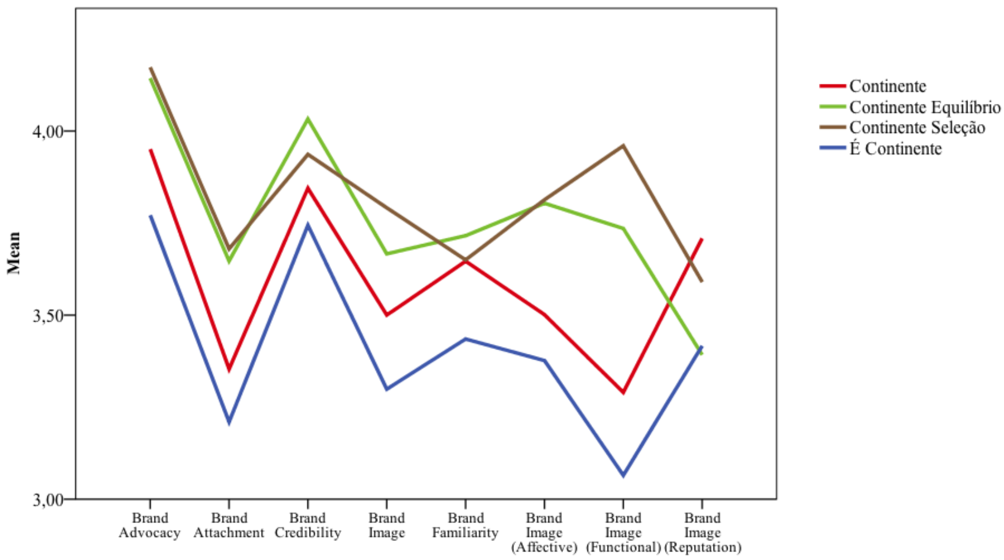


Figure 45 – Behavior of each SONAE PLB in different secondary constructs.



So as to find out if the initiatives carried out by SONAE MC to improve the general perception about its PLBs are succeeding, a set of 5 statements was presented to consumers (1 initiative per secondary construct) so that they could specify the degree of agreement with each of the claims on a Likert scale from 1 (totally disagree) to 5 (totally agree):

- **Brand Advocacy:** I consider that the following type of actions (blog post) improves the quality perception I have over Continente PLBs;
- **Brand Attachment:** I believe that the development of national and regional products increases the connection I feel with Continente PLBs;
- **Brand Credibility:** I believe that the election for 15 consecutive years as a Trusted Brand increases the degree of confidence I feel towards Continente PLBs;
- **Brand Image:** I believe that a TV advertisement can positively influence the image I feel towards Continente PLBs;
- **Brand Familiarity:** I believe that the creation of a new product visual line, consistent and flexible, can increase the degree of familiarity I feel towards Continente PLBs.

The overall results are extremely positive, as all means exceed the 3.5 level of agreement, meaning that most initiatives affect consumers in a positive way. On the one hand, statistics show that consumers as less likely to believe in online communication initiatives' based on advocacy, such as blog suggestions (lowest mean of 3.67). On the other hand, the development of national and regional products is said to increase brand attachment towards a PLB (with a mean of 4.36). Regarding all the other initiatives (election as a Trusted Brand for 15 consecutive years, conception of a TV advertisement and creation of a new product visual line), consumers are said to be influenced in a positive way – see figure 46 and appendix 14.

After analyzing table 14, it is possible to claim that most initiatives are boosting the mean results previously obtained for each secondary construct, except for the brand advocacy blog initiative (with a construct mean of 3.97 VS an initiative mean of 3.67).

To summarize, by observing figure 47, it becomes clear that all 5 initiatives obtain most of the classifications in level 4 and level 5, showing that consumers not only agree with them but also recognize SONAE MC effort to build a strong and recognized PLB portfolio capable of providing a product range adapted to consumer needs and with the unique signature of Continente.

Figure 46 – Mean of perception over SONAE PLBs initiatives' by secondary construct.

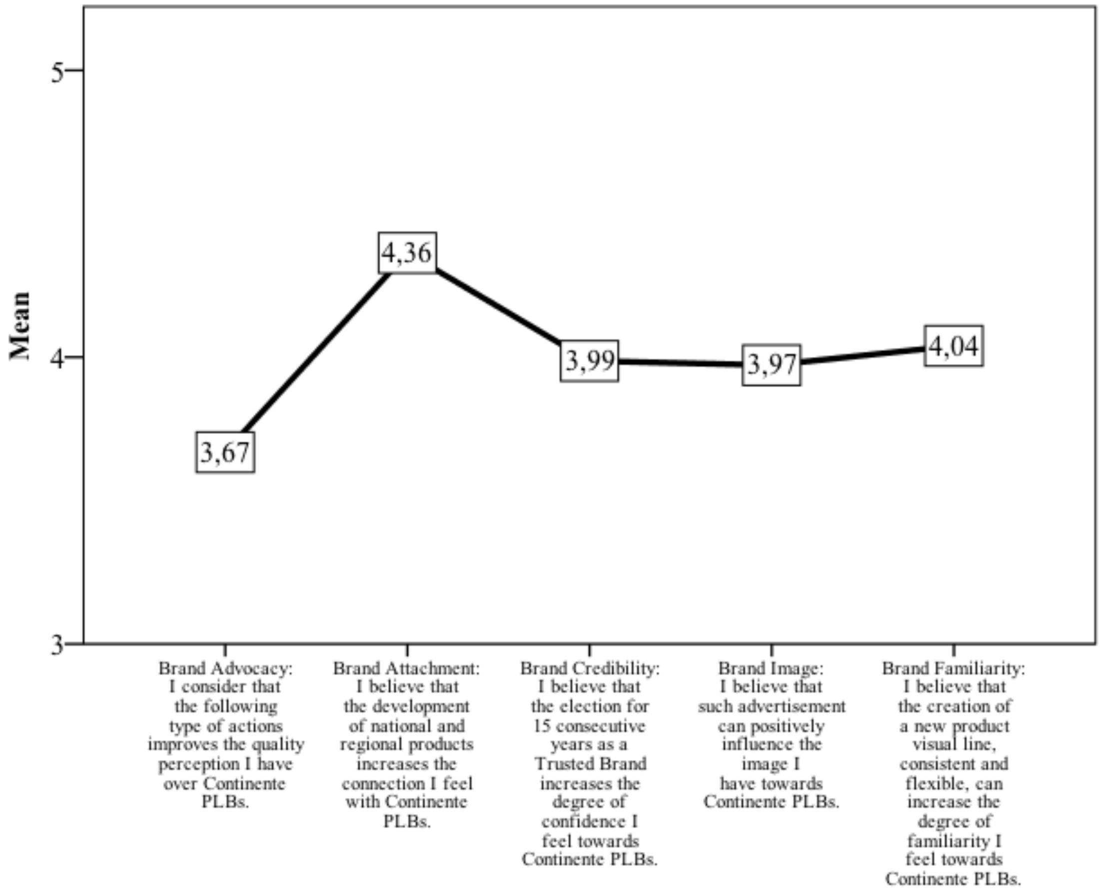
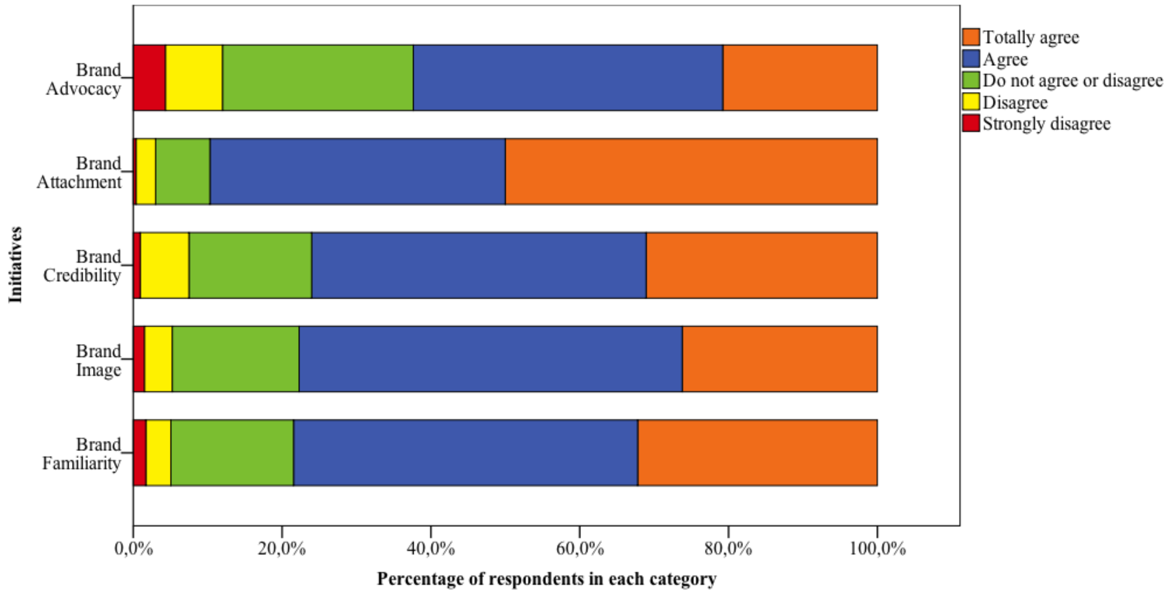


Table 14 – Comparison between each secondary construct mean and its SONAE initiative.

Secondary Construct	Mean of Construct (see appendix 15)	Mean of Initiative (see figure 46)
Brand Advocacy	3.97	3.67
Brand Attachment	3.40	4.36
Brand Credibility	3.86	3.99
Brand Image	3.52	3.97
Brand Familiarity	3.63	4.04

Figure 47 – Percentage of respondents' agreement with each of the following sentences according to the PLB selected (Likert scale from 1 to 5) – SONAE PLB initiatives'.



Initiatives Subtitles'	
Construct	**Construct Initiative**
Brand Advocacy	I consider that the following type of actions (blog post) improves the quality perception I have over Continente PLBs.
Brand Attachment	I believe that the development of national and regional products increases the connection I feel with Continente PLBs.
Brand Credibility	I believe that the election for 15 consecutive years as a Trusted Brand increases the degree of confidence I feel towards Continente PLBs.
Brand Image	I believe that a TV advertisement can positively influence the image I feel towards Continente PLBs.
Brand Familiarity	I believe that the creation of a new product visual line, consistent and flexible, can increase the degree of familiarity I feel towards Continente PLBs.

In order to conclude the examination of secondary constructs, it becomes important to investigate the existence of any relationship between the concepts of brand advocacy, brand attachment, brand credibility, brand image and brand familiarity. The analysis of such correlations will allow SONAE to perceive the real impact of relationship marketing in the construction of a strong and recognized PLB.

The linear relationship between two secondary constructs can be verified by the Pearson correlation coefficient (r), which varies from -1 to 1 (see table 15):

- r = -1 → Suggests a total negative linear correlation between the constructs;
- r = 0 → Suggests no linear correlation between the constructs;
- r = 1 → Suggests a total positive linear correlation between the constructs.

Additionally, the significance value – Sig (2-tailed) – must be analyzed so as to ascertain if there is enough evidence to suggest that the correlation observed in the sample can be extrapolated to the population. The significance level of this test equals 0.01 (see table 15):

- Sig (2-tailed) < 0.01 → The existing correlation is statistically significant;
- Sig (2-tailed) > 0.01 → The existing correlation is not statistically significant.

Last but not least, the R-squared (R^2 Linear) also plays a crucial role when it comes to gauge the percentage of response variable variation that is explained by the linear model (R-squared = Explained Variation / Total Variation). R-squared – also known as coefficient of multiple determination for multiple regression – varies from 0% to 100% (see figures 48 to 57):

- 0% → Claims that the model in analysis explains none of the variability of the response data around its mean;
- 100% → Claims that the model in analysis explains all of the variability of the response data around its mean.

To sum up, the main highlights of correlation analysis for the secondary constructs can be observed in figures 48 to 57 and table 17. All data was summarized in table 16 and then interpreted in table 17. It is possible to say that, as there are no Sig (2-tailed) > 0.01 in this analysis, all the existing correlations are statistically significant and therefore can be generalized to the entire population. Also, the highest Pearson correlation coefficient (r = 0.773) and the highest R^2 Linear (0.598) occur for brand advocacy and brand credibility, suggesting a statistically significant positive linear correlation between these two constructs and a 59.8% level of explanation for brand advocacy variation based on brand credibility results.

Figure 48 – Correlation between brand advocacy and brand attachment.

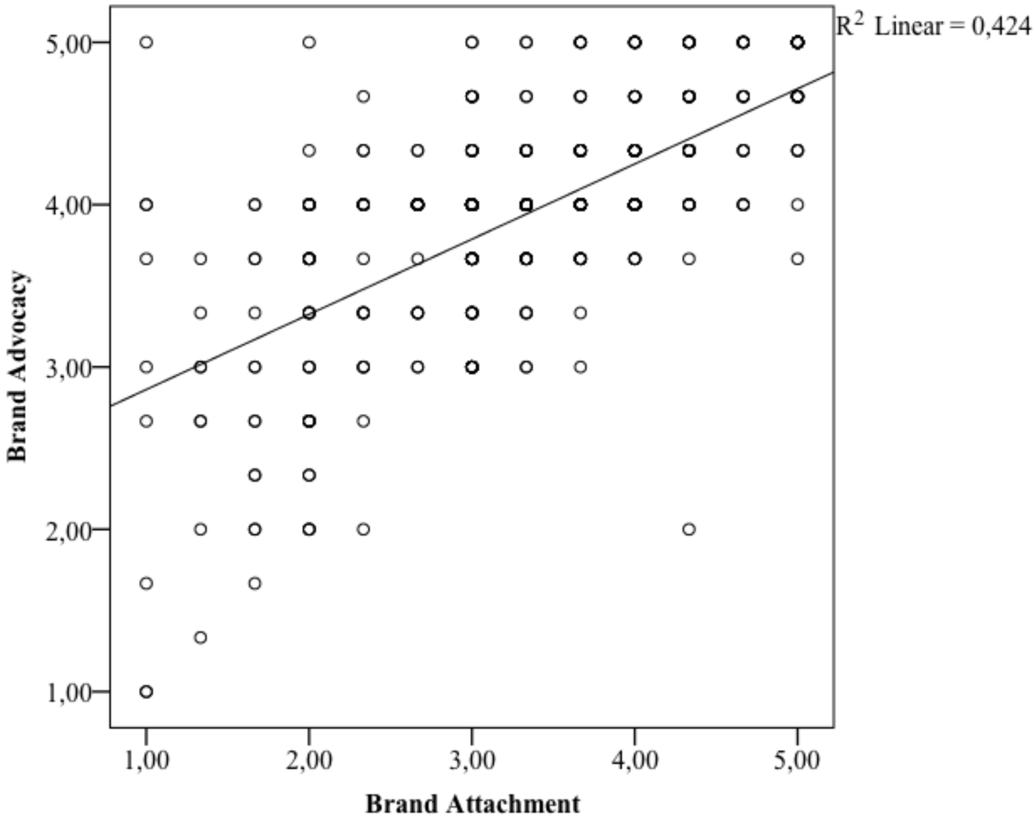


Figure 49 – Correlation between brand advocacy and brand credibility.

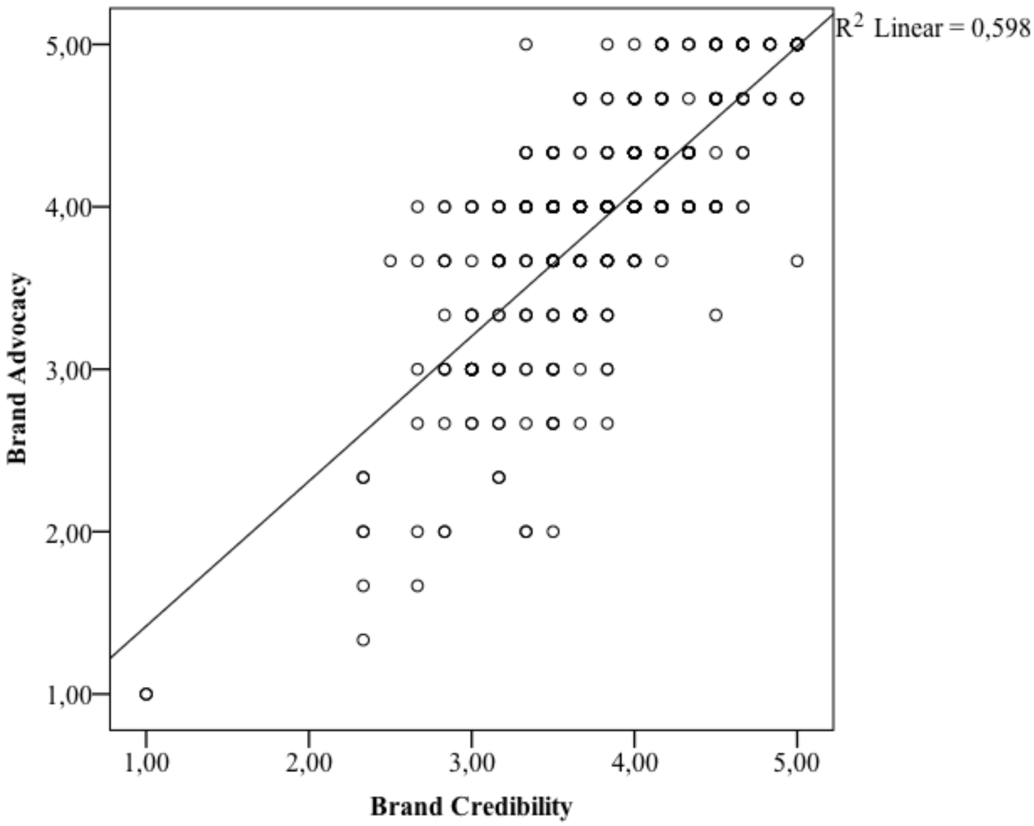


Figure 50 – Correlation between brand advocacy and brand image.

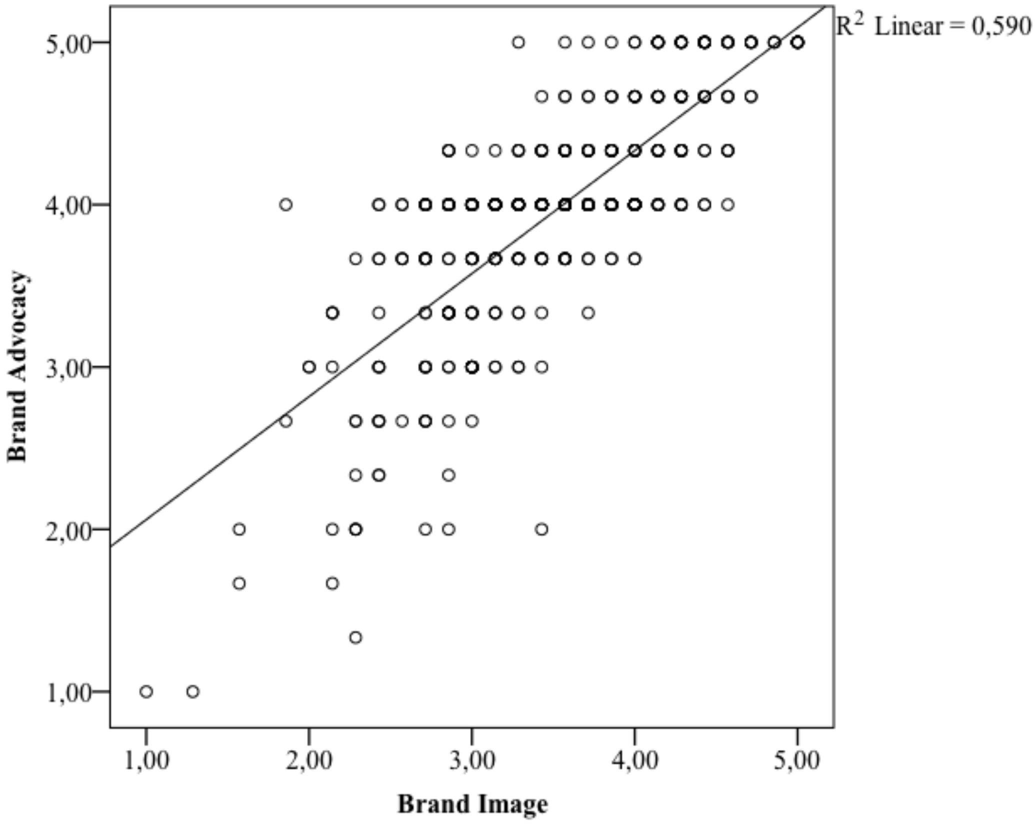


Figure 51 – Correlation between brand advocacy and brand familiarity.

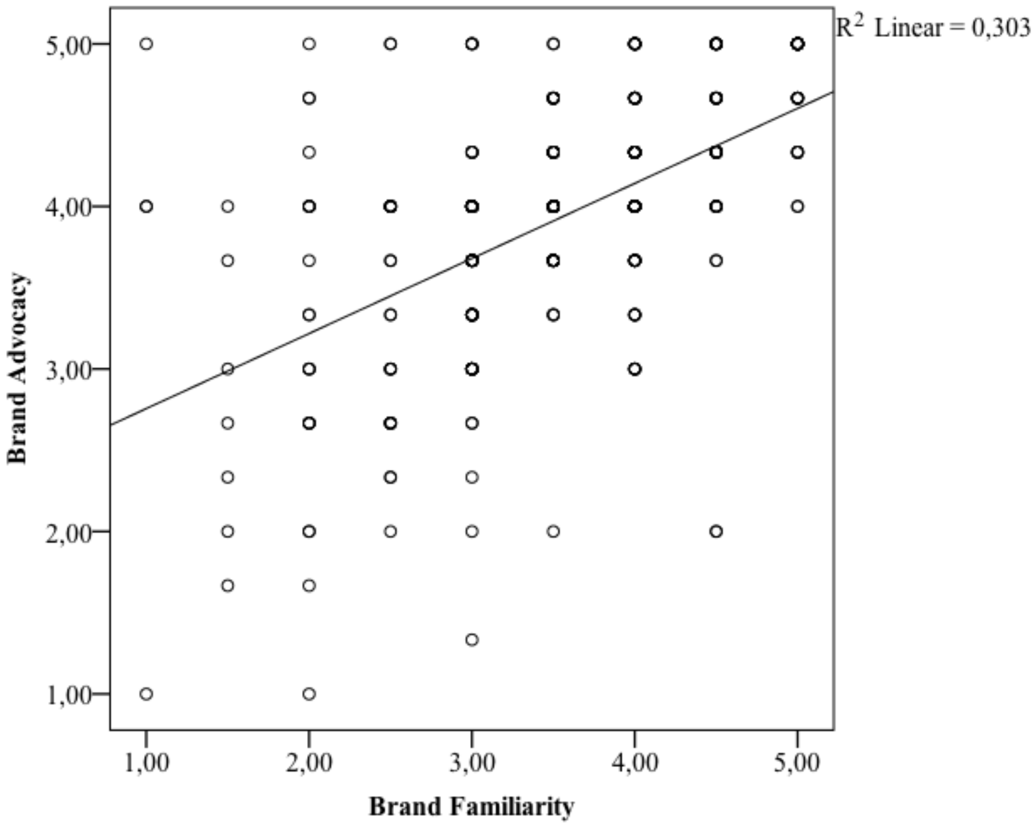


Figure 52 – Correlation between brand attachment and brand credibility.

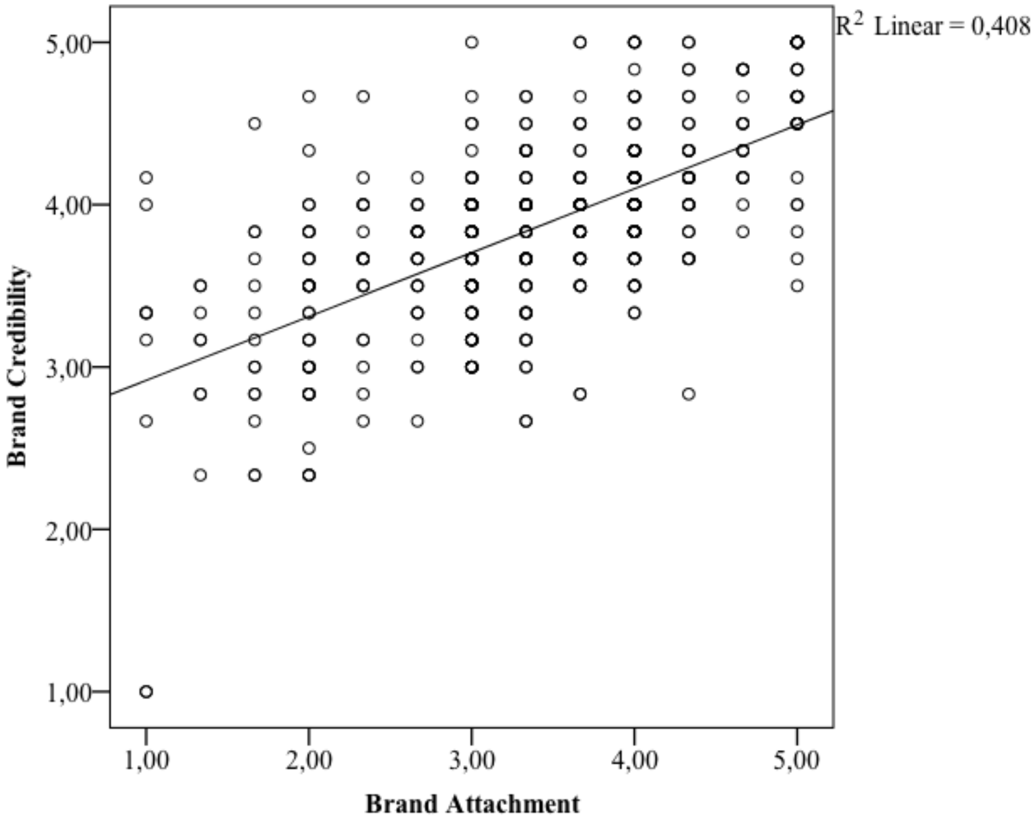


Figure 53 – Correlation between brand attachment and brand image.

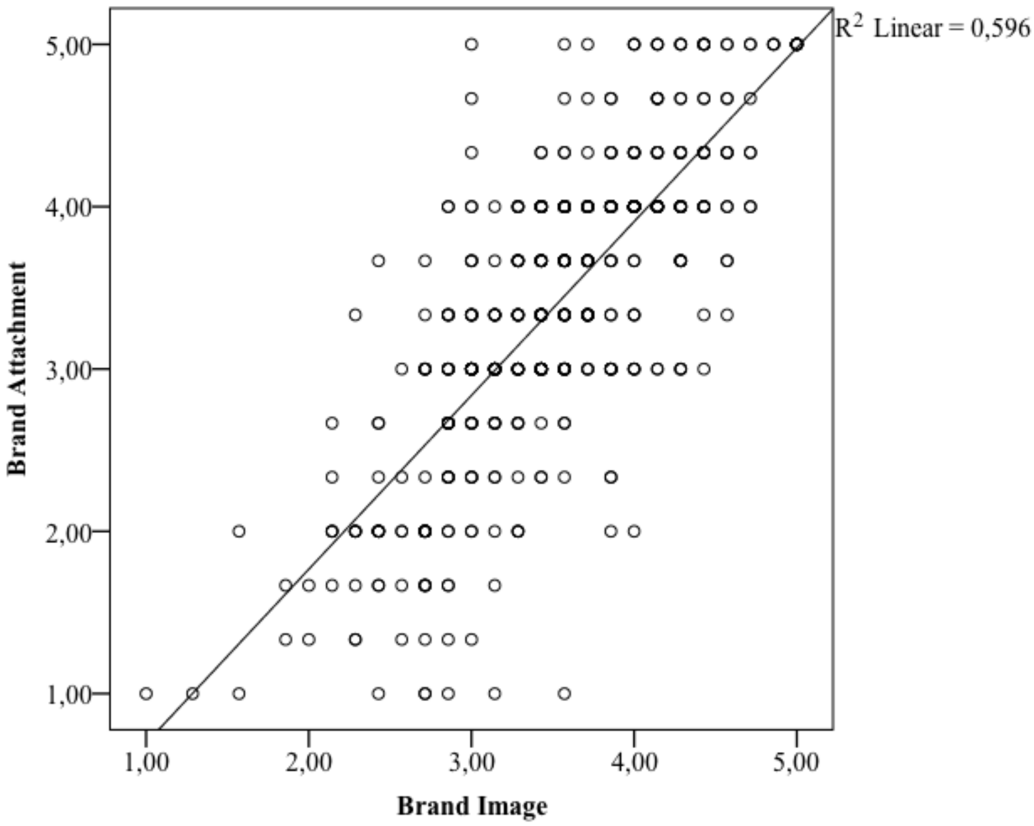


Figure 54 – Correlation between brand attachment and brand familiarity.

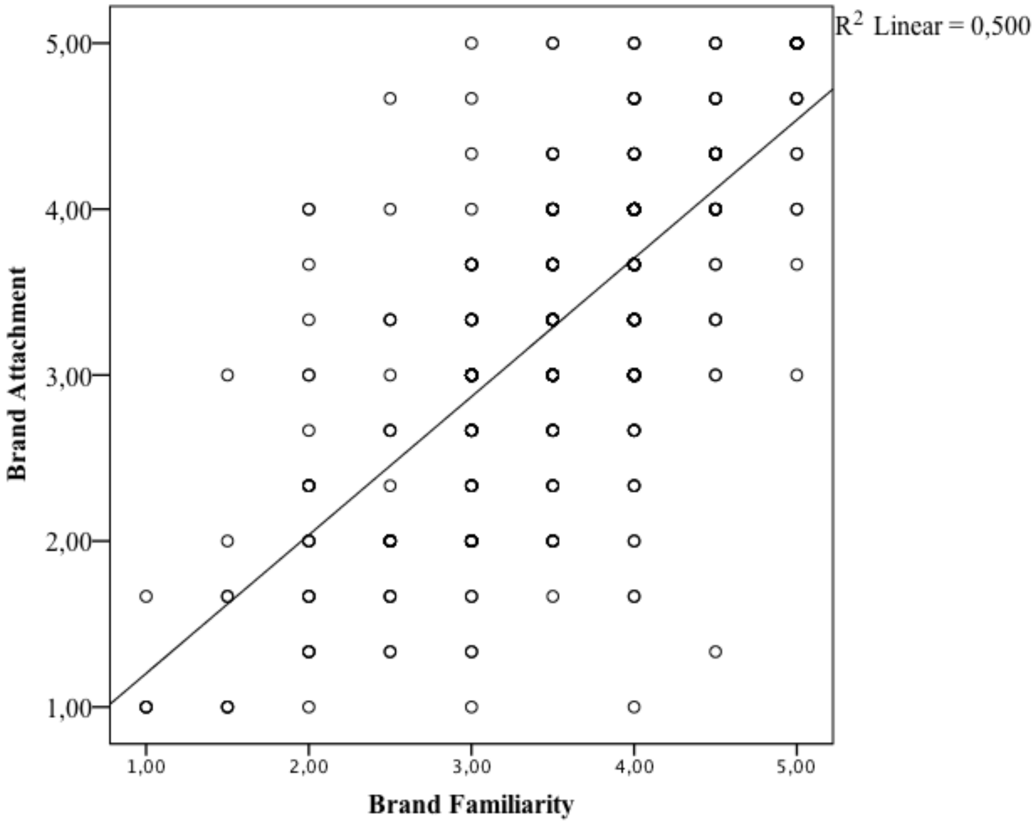


Figure 55 – Correlation between brand credibility and brand image.

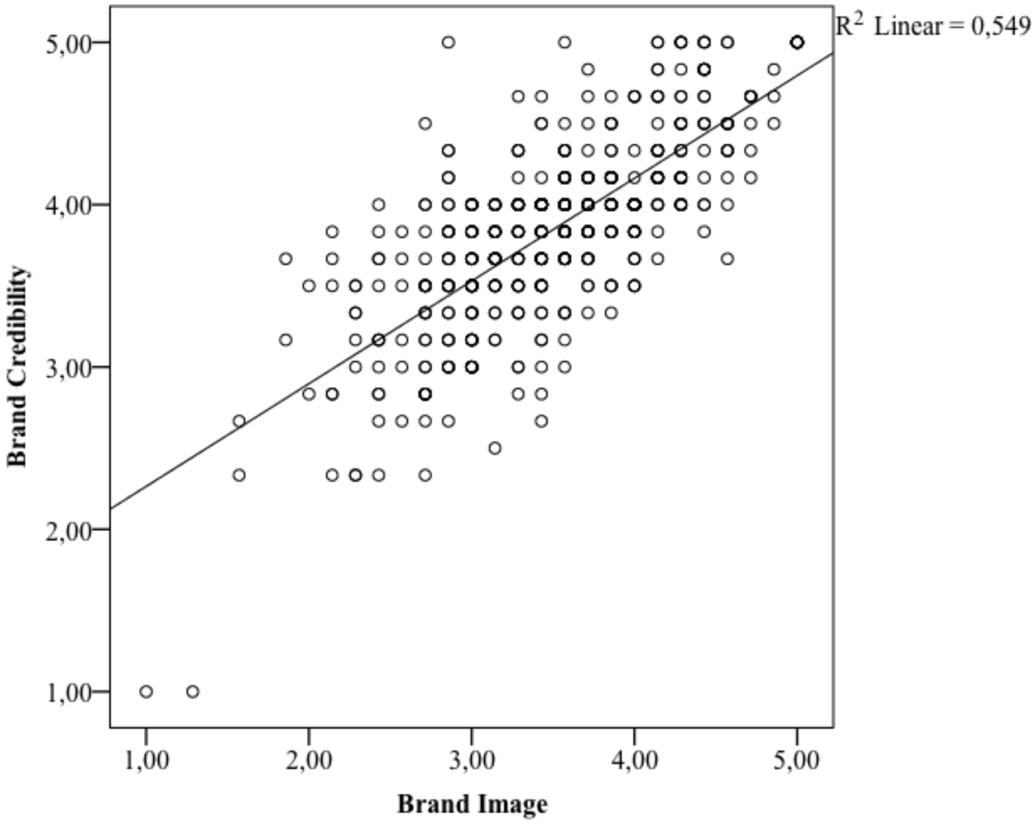


Figure 56 – Correlation between brand credibility and brand familiarity.

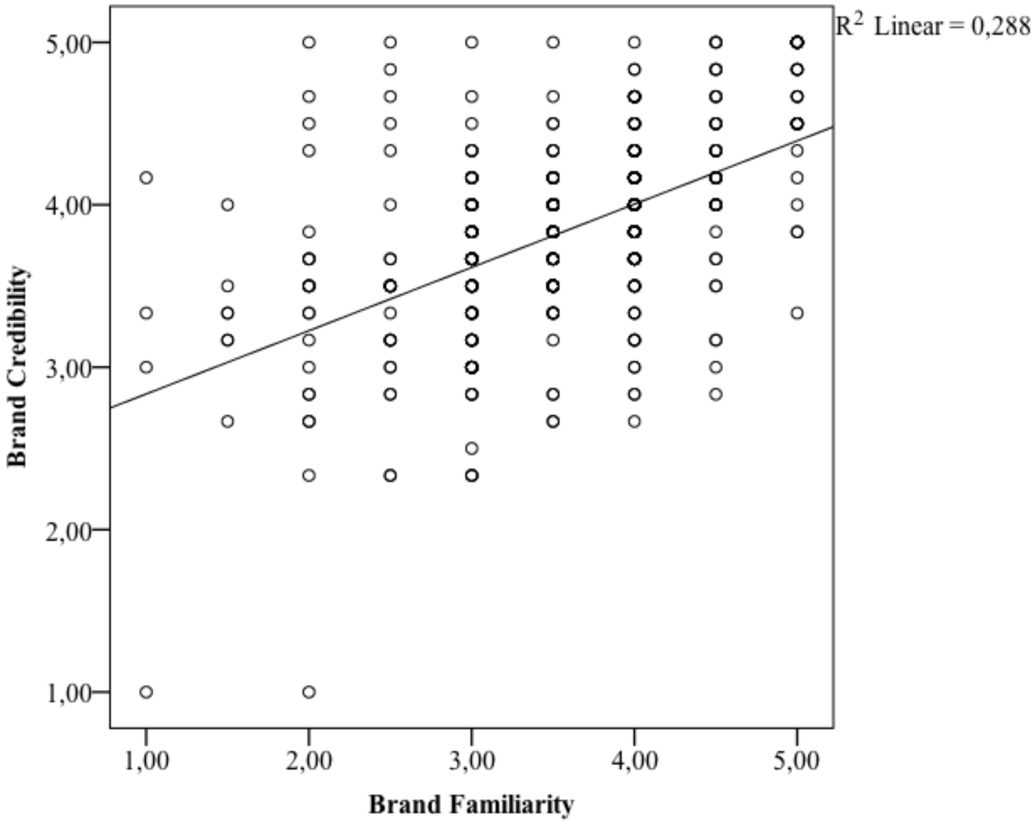


Figure 57 – Correlation between brand image and brand familiarity.

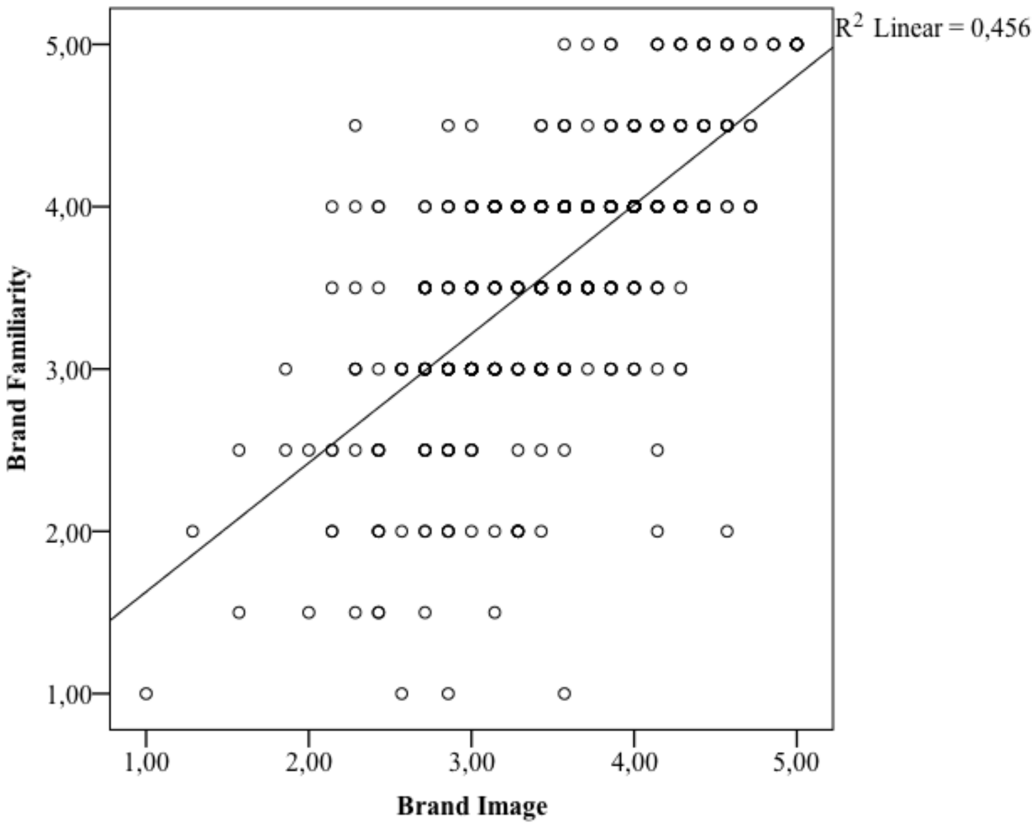


Table 15 – Correlations between secondary constructs.

Correlations

		Brand Advocacy	Brand Credibility	Brand Attachment	Brand Familiarity	Brand Image
Brand Advocacy	Pearson Correlation	1	,773**	,651**	,551**	,768**
	Sig. (2-tailed)		,000	,000	,000	,000
	N	534	534	534	534	534
Brand Credibility	Pearson Correlation	,773**	1	,639**	,536**	,741**
	Sig. (2-tailed)	,000		,000	,000	,000
	N	534	534	534	534	534
Brand Attachment	Pearson Correlation	,651**	,639**	1	,707**	,772**
	Sig. (2-tailed)	,000	,000		,000	,000
	N	534	534	534	534	534
Brand Familiarity	Pearson Correlation	,551**	,536**	,707**	1	,676**
	Sig. (2-tailed)	,000	,000	,000		,000
	N	534	534	534	534	534
Brand Image	Pearson Correlation	,768**	,741**	,772**	,676**	1
	Sig. (2-tailed)	,000	,000	,000	,000	
	N	534	534	534	534	534

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

Table 16 – Main highlights of secondary constructs correlation analysis.

Suggested Correlation	**Pearson Correlation Coefficient (table 15)**	**Sig (2-tailed) (table 15)**	**R^2 Linear**
Brand Advocacy & Brand Attachment	0.651	0.000	0.424 (figure 48)
Brand Advocacy & Brand Credibility	0.773	0.000	0.598 (figure 49)
Brand Advocacy & Brand Image	0.768	0.000	0.590 (figure 50)
Brand Advocacy & Brand Familiarity	0.551	0.000	0.303 (figure 51)
Brand Attachment & Brand Credibility	0.639	0.000	0.408 (figure 52)
Brand Attachment & Brand Image	0.772	0.000	0.596 (figure 53)
Brand Attachment & Brand Familiarity	0.707	0.000	0.500 (figure 54)
Brand Credibility & Brand Image	0.741	0.000	0.549 (figure 55)
Brand Credibility & Brand Familiarity	0.536	0.000	0.288 (figure 56)
Brand Image & Brand Familiarity	0.676	0.000	0.456 (figure 57)

Table 17 – Main highlights of secondary constructs correlation analysis.

Suggested Correlation	Comment
Brand Advocacy & Brand Attachment	The model suggests a statistically significant positive linear correlation between brand advocacy and brand attachment. It is also possible to say that 42.4% of brand advocacy variation finds its explanation in brand attachment.
Brand Advocacy & Brand Credibility	The model suggests a statistically significant positive linear correlation between brand advocacy and brand credibility. It is also possible to say that 59.8% of brand advocacy variation finds its explanation in brand credibility.
Brand Advocacy & Brand Image	The model suggests a statistically significant positive linear correlation between brand advocacy and brand image. It is also possible to say that 59% of brand advocacy variation finds its explanation in brand image.
Brand Advocacy & Brand Familiarity	The model suggests a statistically significant positive linear correlation between brand advocacy and brand familiarity. It is also possible to say that 30.3% of brand advocacy variation finds its explanation in brand familiarity.
Brand Attachment & Brand Credibility	The model suggests a statistically significant positive linear correlation between brand attachment and brand credibility. It is also possible to say that 40.8% of brand attachment variation finds its explanation in brand credibility.
Brand Attachment & Brand Image	The model suggests a statistically significant positive linear correlation between brand attachment and brand image. It is also possible to say that 59.6% of brand attachment variation finds its explanation in brand image.
Brand Attachment & Brand Familiarity	The model suggests a statistically significant positive linear correlation between brand attachment and brand familiarity. It is also possible to say that 50% of brand attachment variation finds its explanation in brand familiarity.
Brand Credibility & Brand Image	The model suggests a statistically significant positive linear correlation between brand credibility and brand image. It is also possible to say that 54.9% of brand credibility variation finds its explanation in brand image.
Brand Credibility & Brand Familiarity	The model suggests a statistically significant positive linear correlation between brand credibility and brand familiarity. It is also possible to say that 28.8% of brand credibility variation finds its explanation in brand familiarity.
Brand Image & Brand Familiarity	The model suggests a statistically significant positive linear correlation between brand image and brand familiarity. It is also possible to say that 45.6% of brand image variation finds its explanation in brand familiarity.

9. Forms of Implementation

Having in mind the substantiation of this project, several opportunities were identified with the ultimate goal of improving PLBs perception and performance in the current marketplace within the scope of Product Range Optimization analysis. A detailed explanation about each of these measures is given below for better understanding and application of the same.

- **Quality stamps:** So as to emphasize the high quality of PLBs product range and disseminate the positive perception across different private label categories, SONAE MC should strive to obtain different quality stamps for its products. Lidl is currently doing this by signaling some of its items with quality stamps provided by independent and recognized authorities:
    - Lidl Portugal was the first entity to enter into a licensing agreement with Deco Proteste in order to use quality stamps provided by this consumer protection association in its PLBs products'. Therefore, from now on, all Lidl food products with recognized prizes and distinctions delivered by Deco independent tests will be provided with a "best of test" or "right choice" stamp (figure 58);

Figure 58 – Some of Lidl prized products in Deco Proteste independent tests.

- The UTZ certification is used by Lidl to show its consumers that products have been sourced, from farm to shop shelf, in a sustainable manner. Producers of UTZ certified items are trained to follow a certain code of conduct that ensures better farming methods, working conditions and environmental care (figure 59);

Figure 59 – UTZ certified Fin Carré chocolates, by Lidl.

- **International benchmarking:** The PRO analyses currently performed at SONAE MC already consider Mercadona PLBs so that SONAE MC can prepare this player's entry in the Portuguese retail market until 2019. Bearing in mind not only the possibility of exporting PLBs worldwide but also considering the dissemination of international products and consumption habits within the Portuguese retail market, it might also be interesting to consider the PLB assortment for the main international players in future PRO analysis – e.g.: Carrefour for France, Tesco for United Kingdom or even Target for United States of America;
- **Be the first to market:** The most effective way for a brand to be remembered is by being the first into consumer prospect's mind, presenting him a clear perception. Being the pioneer in a product launch provides PLBs with numerous advantages:
  - Allows economies of scale;
  - Disruptive products always remain in consumers' mind and sometimes assume the brand name itself – for most men, a razor blade is a Gillette and the eyelash mascara used by women will always be called Rimmel;
  - Gives PLBs the opportunity to recruit and retain new consumers;
  - Innovation always captures consumers' attention;
  - Makes it easier for PLBs to find a supplier with good business conditions;
  - Set consumer trends – e.g.: Lidl was the first launching skyr yogurts.

- **Look at the fastest growing player:** As it was previously mentioned in this project, several brands are taken in consideration while in a PRO meeting so that a sharp and complete picture of the market is drawn: some PLBs (Continente, Pingo Doce, LIDL and Mercadona) and certain name brands (the market leader and the second player in each segment) are examined. Nevertheless, in order to predict some of the upcoming market trends and keep up with them as quickly as possible – reducing the time to market when launching a new product –, it is also vital for PRO to identify the fastest growing players within a certain product category. The fastest growing players must be seen as potential trendsetters capable of predicting future consumer needs and its inclusion in such analysis can provide SONAE PLBs with extremely valuable insights.
- **E-commerce leverage:** With the proliferation of digital platforms, it is likely for the retail future to be centralized in e-commerce. As such, it is imperative for PLBs to build a strong and unified presence on platforms such as Continente Online. Two different initiatives are suggested:
  - Definition of an annual communication plan for digital platforms with the main aim of consolidating the positive perception that the client already has towards SONAE PLBs;
  - Creation of a section for the SONAE PLBs in Continente Online platform – a microsite through which the customer would have access to all weekly discounts, news, recipes and other information regarding SONAE PLBs.
- **Consumer insights:** In the scope of the questionnaire carried out during this project, some consumers also provided PLBs with improvement opportunities, such as:
  - Boost the connection between SONAE PLBs and its consumers;
  - Clarify the benefit promise of each product on its packaging;
  - Develop the aspirational slope of Continente Seleção through various events;
  - Elucidate consumers about the meaning of "family of characters" – the principle behind the new product visual line for SONAE PLBs (figure 60);
  - Investment in continuous and disruptive innovation;
  - Investment in PLBs communication regarding its benefits;
  - Privilege “quality” over “price” in PLBs communication;
  - Product range development for Continente Equilíbrio and Continente Seleção.

By performing the suggested improvements, SONAE PLBs are expected to perform increasingly better over time, making the most of their advantages in the current marketplace.

Figure 60 – Family of characters concept behind PLBs new product visual line.

10. Conclusions

The current project attempts to demonstrate the positive impact of PRO in the leverage of SONAE MC PLBs. Having in mind the core construct of relationship marketing, the project also investigates the secondary constructs of advocacy, attachment, credibility, image and familiarity through a questionnaire specifically designed to evaluate each PLB and identify potential improvement points. The ultimate path to PLBs success is drawn through the application of various marketing mix measures.

Following the questionnaire results, quality, value for money and price seem to be the three most privileged factor when deciding for a PLB.

While selecting the distribution chain with the best assortment of PLB products', gathered data seems to follow the current market leadership ranking (according to Nielsen reports) for players in national retail sector. Continente seems to provide consumers with the best PLB range of products, followed by Pingo Doce – currently making a growing investment in its PLB portfolio – and Lidl – a global reference in private label market.

Almost 95% of the sample claims to have a Continente client card to access the entire in store discounts and opportunities. However, only half of the sample recognizes Continente PLBs as the best in the market, reflecting one of two circumstances:

- If clients buy some of Continente PLBs products', they do not recognize them as the best ones in the market. In this case, there is space for SONAE PLBs to improve;
- If clients do not buy any PLB product at Continente, at least some of their shopping basket is obtained in these stores. In this case, some measures may be outlined so as to turn these clients into private label consumers for Continente PLBs.

According to consumers' feedback, SONAE PLBs are stronger in brand advocacy, closely followed by brand credibility, brand familiarity, brand image and, at last, brand attachment. Regardless of this hierarchy, the overall averages associated with each of the secondary constructs are not extremely high, ranging between 3.97 and 3.40 on a Likert scale from 1 to 5. These results highlight the need for several initiatives to be taken with the ultimate goal of positively influencing SONAE PLBs perception among consumers. Having this in mind, it became vital to evaluate the performance of some initiatives carried out by SONAE MC within the scope of brand advocacy, brand attachment, brand credibility, brand image and brand familiarity. According to statistics, consumers as less likely to believe in online communication initiatives' based on advocacy, such as blog suggestions. On the other hand, the development of national and regional products is said to increase brand attachment towards a PLB. Regarding all the other initiatives (election as a Trusted Brand for 15 consecutive years, conception of a TV advertisement and creation of a new product visual line), consumers are said to be influenced in a relative positive way. In addition, it is also possible to claim that most initiatives boost the mean results previously obtained for each secondary construct, except for the brand advocacy blog initiative.

The model suggests a statistically significant positive linear correlation between all secondary constructs, and emphasis the strong correlation between brand advocacy and brand credibility. Thus, it is possible to conclude that each and every initiative designed to optimize the performance of a specific secondary construct will also have its effects on the remaining. The time has come for PLBs to understand that a full strategic plan simultaneously focused on these secondary constructs is required for PLBs to succeed in the current marketplace.

Regarding limitations and further research, the current project presents the reader with some limitations that could turn into opportunities for further research. First of all, not all SONAE PLBs were considered in this project (e.g. Área Viva, KASA, Note!) as the scope of analysis only focused the brand portfolio managed by Private Label Commercial Department of SONAE MC – Continente, Continente Equilíbrio, Continente Seleção, É Continente and MyLabel. Hence, the conclusions drawn from this project cannot be extrapolated to the universe of PLBs owned by SONAE MC in the most diverse commercial departments. Future studies should consider other SONAE PLBs. Secondly, MyLabel responses were withdrawn from the questionnaire as this PLB showed an insufficient representative sample to draw any conclusions about its group of consumers, mainly due to the current 360-degree restructuring process this PLB is going through at the moment. Therefore, no conclusions can be drawn regarding the performance of this brand in the various constructs analyzed. The study should be replicated in one year to analyze consumer perception over the restructured version of MyLabel brand. Thirdly, the number of responses per brand is not balanced. Continente – the major brand – encompasses most of the responses as it targets the masses. By contrast, sub-brands such as Continente Equilíbrio, Continente Seleção and É Continente focus a specific consumer type and, in some cases, are still conquering a position in the market. Consequently, the response level for such brands will be lower and will not assume the same representativeness when compared to Continente. Last but not least, the questionnaire only gathered responses from August to September of 2017. Some responses may not be representative of consumer's perception over SONAE PLBs throughout the year – some of the initiatives may not be remembered by the consumer due to a temporal gap. Hence, the study should be replicated at different time periods (longitudinal approach).

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12. Appendix

Appendix 1 – Distribution of respondents by gender.

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	170	31,8	31,8	31,8
	Female	364	68,2	68,2	100,0
	Total	534	100,0	100,0	

Appendix 2 – Distribution of respondents by age range.

Age Range

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	315	59,0	59,0	59,0
	26-35	110	20,6	20,6	79,6
	36-45	56	10,5	10,5	90,1
	46-55	28	5,2	5,2	95,3
	56-65	14	2,6	2,6	97,9
	+65	11	2,1	2,1	100,0
	Total	534	100,0	100,0	

Appendix 3 – Distribution of respondents by professional situation.

Professional situation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	139	26,0	26,0	26,0
	Working student	49	9,2	9,2	35,2
	Self-employed	40	7,5	7,5	42,7
	Employed worker	273	51,1	51,1	93,8
	Retired	15	2,8	2,8	96,6
	Unemployed	18	3,4	3,4	100,0
	Total	534	100,0	100,0	

Appendix 4 – Distribution of respondents by number of people in the household.

Number of people in the household

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	96	18,0	18,0	18,0
	2	107	20,0	20,0	38,0
	3	133	24,9	24,9	62,9
	4	145	27,2	27,2	90,1
	5	43	8,1	8,1	98,1
	6	8	1,5	1,5	99,6
	7	2	,4	,4	100,0
	Total	534	100,0	100,0	

Appendix 5 – The distribution chains with the best assortment of PLB products.

Which of the following distribution chains offers the best assortment of private label products?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Aldi	6	1,1	1,1	1,1
	Continente	286	53,6	53,6	54,7
	Intermarché	2	,4	,4	55,1
	Jumbo	23	4,3	4,3	59,4
	Lidl	52	9,7	9,7	69,1
	Minipreço	2	,4	,4	69,5
	Pingo Doce	151	28,3	28,3	97,8
	Supercor (El Corte Inglés)	12	2,2	2,2	100,0
	Total	534	100,0	100,0	

Appendix 6 – Number and % of respondents with/without Continente card.

Does any of your household elements have a Continente card?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	499	93,4	93,4	93,4
	No	35	6,6	6,6	100,0
	Total	534	100,0	100,0	

Appendix 7 – The most important PLBs at SONAE MC in daily basis.

Which of the brands do you consider most important in a daily basis?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Continente	379	71,0	71,0	71,0
	Continente Equilíbrio	51	9,6	9,6	80,5
	Continente Seleção	50	9,4	9,4	89,9
	É Continente	54	10,1	10,1	100,0
	Total	534	100,0	100,0	

Appendix 8 – Cronbach's alpha test for reliability: brand advocacy.

Reliability Statistics - BAd

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,886	,887	3

Appendix 9 – Cronbach's alpha test for reliability: brand attachment.

Reliability Statistics - BAt

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,909	,909	3

Appendix 10 – Cronbach's alpha test for reliability: brand credibility.

Reliability Statistics - BC

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,884	,886	6

Appendix 11 – Cronbach's alpha test for reliability: brand image.

Reliability Statistics - BI

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,858	,856	7

Appendix 12 – Cronbach's alpha test for reliability: brand familiarity.

Reliability Statistics - BF

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,730	,730	2

Appendix 13 – Respondents agreements with each of the following sentences according to the PLB selected (Likert scale from 1 to 5) – Secondary constructs items'.

	Strongly disagree Count	Disagree Count	Do not agree or disagree Count	Agree Count	Totally agree Count
This brand has the ability to deliver what it promises.	2	5	74	365	88
This brand delivers what it promises.	2	8	92	351	81
This brand has a personality that distinguishes itself from competitors.	9	74	188	201	62
Over time, my experiences with this brand have led me to expect it to keep its promises, no more and no less.	3	20	125	312	74
This brand has a consolidated position in the market.	3	25	98	266	142
The products of this brand have better characteristics than competitors.	14	82	237	154	47
This brand's product claims are believable.	2	15	125	330	62
This brand has a name I can trust.	3	13	93	324	101
I feel attached to this brand.	19	57	175	211	72
This brand provides information that leads me to be familiar with the same.	10	36	127	288	73
My evaluation of the brand is positive.	2	13	62	344	113
This brand doesn't disappoint its customers.	8	29	169	282	46
This is one of the best brands in the sector.	17	104	169	188	56
This is a good brand.	6	15	74	346	93
This brand delivers experiences that lead me to be familiar with the same.	14	47	152	270	51
This brand is nice.	11	44	165	248	66
The products of this brand have a high quality.	8	61	179	235	51
I feel connected to this brand.	26	65	183	207	53
I have a favorable evaluation of this brand.	6	19	72	344	93
I feel bonded to this brand.	25	76	181	197	55
This brand is commited to delivering on its claims, no more and no less.	7	28	173	260	66

Appendix 14 – Respondents agreements with each of the following sentences according to the PLB selected (Likert scale from 1 to 5) – SONAE PLB initiatives'.

	Strongly disagree Count	Disagree Count	Do not agree or disagree Count	Agree Count	Totally agree Count
I consider that the following type of actions improves the quality perception I have over Continente PLBs.	23	41	137	222	111
I believe that the development of national and regional products increases the connection I feel with Continente PLBs.	2	14	39	212	267
I believe that the election for 15 consecutive years as a Trusted Brand increases the degree of confidence I feel towards Continente PLBs.	5	35	88	240	166
I believe that the creation of a new product visual line, consistent and flexible, can increase the degree of familiarity I feel towards Continente PLBs.	9	18	88	247	172
I believe that the such advertisement can positively influence the image I have towards Continente PLBs.	8	20	91	275	140

Appendix 15 – Oneway ANOVA test: Descriptive Statistics.

Descriptives

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean Lower Bound	95% Confidence Interval for Mean Upper Bound	Minimum	Maximum
Brand Advocacy	Continente	379	3,95	,57779	,02968	3,8924	4,0091	2,00	5,00
	Continente Equilíbrio	51	4,14	,74313	,10406	3,9348	4,3528	1,67	5,00
	Continente Seleção	50	4,17	,69739	,09863	3,9751	4,3715	1,00	5,00
	É Continente	54	3,77	,84631	,11517	3,5406	4,0026	1,00	5,00
	Total	534	3,97	,64460	,02789	3,9171	4,0267	1,00	5,00
Brand Credibility	Continente	379	3,84	,49410	,02538	3,7949	3,8947	2,33	5,00
	Continente Equilíbrio	51	4,03	,61194	,08569	3,8606	4,2048	2,33	5,00
	Continente Seleção	50	3,94	,69895	,09885	3,7380	4,1353	1,00	5,00
	É Continente	54	3,74	,73453	,09996	3,5433	3,9443	1,00	5,00
	Total	534	3,86	,55836	,02416	3,8136	3,9086	1,00	5,00
Brand Attachment	Continente	379	3,35	,89377	,04591	3,2633	3,4438	1,00	5,00
	Continente Equilíbrio	51	3,65	,92954	,13016	3,3856	3,9085	1,33	5,00
	Continente Seleção	50	3,68	,76179	,10773	3,4635	3,8965	1,00	5,00
	É Continente	54	3,21	1,01415	,13801	2,9331	3,4867	1,00	5,00
	Total	534	3,40	,90641	,03922	3,3206	3,4747	1,00	5,00
Brand Familiarity	Continente	379	3,65	,74023	,03802	3,5717	3,7212	1,00	5,00
	Continente Equilíbrio	51	3,72	,90694	,12700	3,4606	3,9708	1,50	5,00
	Continente Seleção	50	3,65	,76432	,10809	3,4328	3,8672	2,00	5,00
	É Continente	54	3,44	,81869	,11141	3,2117	3,6586	1,00	5,00
	Total	534	3,63	,76869	,03326	3,5667	3,6974	1,00	5,00
Brand Image	Continente	379	3,50	,61180	,03143	3,4384	3,5620	1,57	5,00
	Continente Equilíbrio	51	3,67	,76220	,10673	3,4523	3,8810	1,86	5,00
	Continente Seleção	50	3,79	,65064	,09201	3,6065	3,9763	1,29	5,00
	É Continente	54	3,30	,73803	,10043	3,0975	3,5004	1,00	5,00
	Total	534	3,52	,65362	,02828	3,4674	3,5786	1,00	5,00
Brand Image (Affective)	Continente	379	3,50	,65212	,03350	3,4355	3,5672	1,33	5,00
	Continente Equilíbrio	51	3,80	,75771	,10610	3,5908	4,0170	2,33	5,00
	Continente Seleção	50	3,81	,64298	,09093	3,6306	3,9961	1,33	5,00
	É Continente	54	3,38	,74969	,10202	3,1719	3,5812	1,00	5,00
	Total	534	3,55	,68319	,02956	3,4887	3,6049	1,00	5,00
Brand Image (Functional)	Continente	379	3,29	,72297	,03714	3,2172	3,3633	1,00	5,00
	Continente Equilíbrio	51	3,74	,96100	,13457	3,4650	4,0056	1,00	5,00
	Continente Seleção	50	3,96	,81341	,11503	3,7288	4,1912	1,50	5,00
	É Continente	54	3,06	,86900	,11826	2,8276	3,3020	1,00	5,00
	Total	534	3,37	,80784	,03496	3,3040	3,4413	1,00	5,00
Brand Image (Reputation)	Continente	379	3,71	,73559	,03778	3,6341	3,7827	1,50	5,00
	Continente Equilíbrio	51	3,39	,84447	,11825	3,1546	3,6297	2,00	5,00
	Continente Seleção	50	3,59	,77387	,10944	3,3701	3,8099	1,00	5,00
	É Continente	54	3,42	,87819	,11951	3,1770	3,6564	1,00	5,00
	Total	534	3,64	,77258	,03343	3,5720	3,7033	1,00	5,00

Appendix 16 – Questionnaire: section 1 (contextualization).

Secção 1 de 6

Inquérito sobre a Marca Própria Continente

O presente inquérito realiza-se no âmbito do projecto tese que estou a desenvolver através de um estágio na SONAE MC para o Mestrado em Marketing na ISCTE Business School.

O questionário pretende analisar a percepção do consumidor relativamente ao portefólio de marcas próprias do Continente.

Para responder ao questionário deve ter mais de 18 anos e ter visitado uma loja Continente, Continente Modelo, Continente Bom Dia ou Meu Super nos últimos 12 meses.

Não existem respostas certas nem erradas, a sua opinião sincera é o mais relevante. Todas as respostas são confidenciais e anónimas.

Tempo esperado para resposta ao questionário: 7 minutos.

Obrigado pela sua disponibilidade,

Vítor Henriques Duarte

Visitou alguma loja SONAE MC nos últimos 12 meses? *

Lojas do universo SONAE MC: Continente, Continente Modelo, Continente Bom Dia e Meu Super.

- Sim
- Não

Appendix 17 – Questionnaire: section 2 (socio-demographic profile).

Secção 2 de 6

Género: *

- Masculino
- Feminino

Idade: *

- De 18 a 25 anos
- De 26 a 35 anos
- De 36 a 45 anos
- De 46 a 55 anos
- De 56 a 65 anos
- Mais de 65 anos

Situação profissional: *

- Estudante
- Trabalhador-estudante
- Trabalhador por conta própria
- Trabalhador por conta de outrém
- Reformado
- Desempregado

Número de pessoas do agregado familiar: *

- 1
- 2
- 3
- 4
- 5
- Outra opção...

Appendix 18 – Questionnaire: section 3 (general opinion on PLBs).

Secção 3 de 6

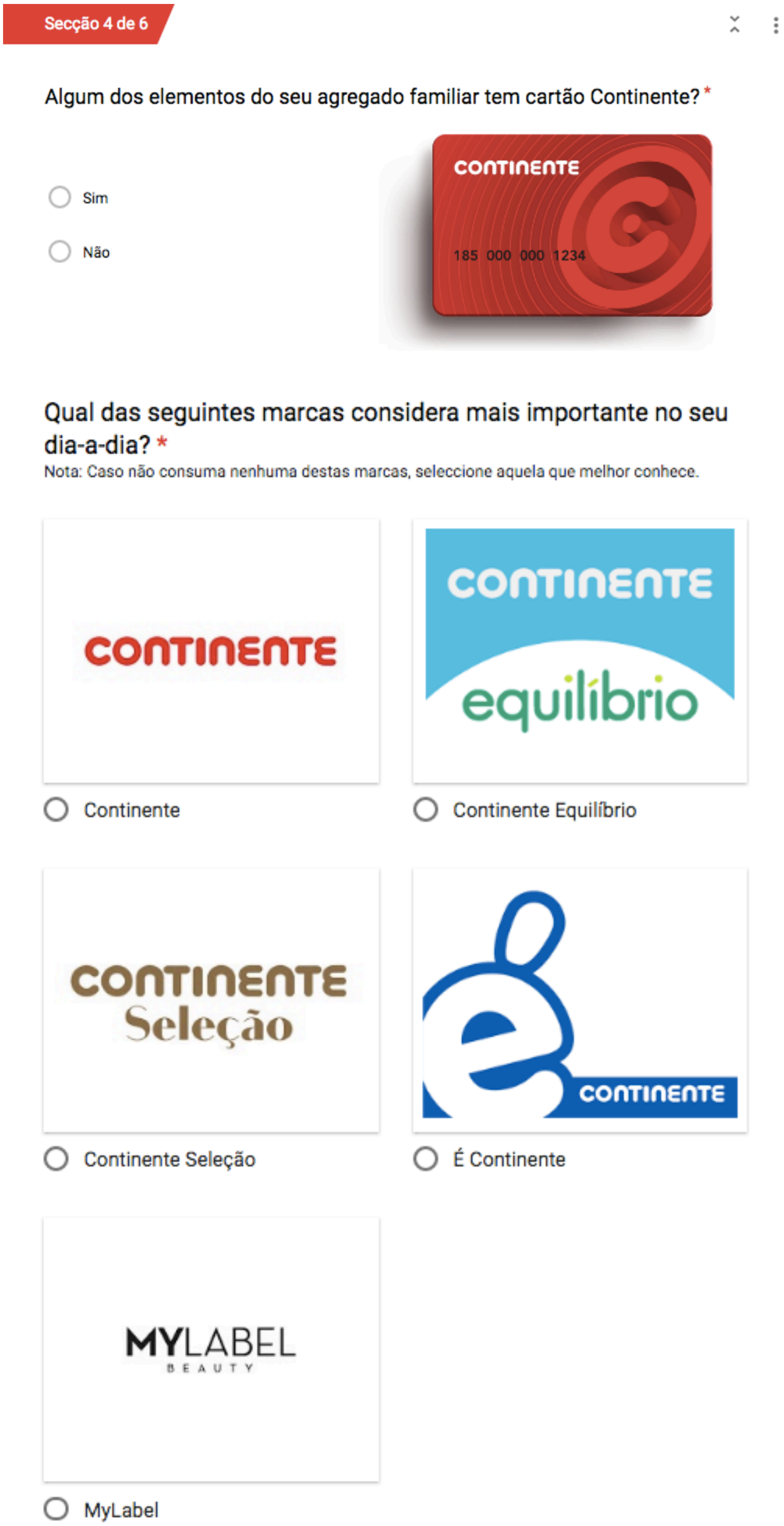
Quais os 3 aspectos que mais privilegia numa marca própria? *

- [ ] Inovação
- [ ] Imagem dos produtos
- [ ] Preço
- [ ] Produtos de origem nacional
- [ ] Promoções/Descontos
- [ ] Qualidade
- [ ] Reconhecimento da marca
- [ ] Relação qualidade-preço
- [ ] Variedade
- [ ] Outra opção...

Das seguintes cadeias de distribuição qual a que, na sua opinião, oferece o melhor sortido de produtos marca própria? *

- ○ Aldi
- ○ Continente
- ○ E.Leclerc
- ○ Intermarché
- ○ Jumbo
- ○ Lidl
- ○ Minipreço
- ○ Pingo Doce
- ○ Supercor (El Corte Inglés)
- ○ Outra opção...

Appendix 19 – Questionnaire: section 4 (assessing SONAE MC consumer profile).



Secção 4 de 6

Algum dos elementos do seu agregado familiar tem cartão Continente? *

Sim

Não

Qual das seguintes marcas considera mais importante no seu dia-a-dia? *

Nota: Caso não consuma nenhuma destas marcas, seleccione aquela que melhor conhece.

Continente

Continente Equilíbrio

Continente Seleção

É Continente

MyLabel

Appendix 20 – Questionnaire: section 5 (evaluation of the chosen PLB).

Secção 5 de 6

Tendo como base a marca selecionada na questão anterior, indique o grau de concordância com cada uma das seguintes afirmações, baseando-se numa escala que varia de 1 a 5: *

	1 - Discordo Totalmente	2 - Discordo	3 - Não Concordo nem Discordo	4 - Concordo	5 - Concordo Totalmente
Esta marca tem a capacidade de cumprir com o que promete.					
Esta marca entrega o que promete.					
Esta marca tem uma personalidade que a distingue dos seus concorrentes.					
Ao longo do tempo, as minhas experiências com esta marca levam-me a esperar que ela cumpra com as suas promessas, sem mais nem menos.					
Esta marca tem uma posição consolidada no mercado.					
Os produtos desta marca têm melhores características que os dos seus concorrentes.					
As promessas dos produtos desta marca são credíveis.					
Esta marca tem um nome em que eu posso confiar.					
Eu sinto-me próximo(a) desta marca.					
Esta marca disponibiliza informação que me leva a estar familiarizado(a) com a mesma.					
A minha avaliação desta marca é positiva.					
Esta marca não desaponta os seus clientes.					
Esta marca é uma das melhores no mercado.					
Esta é uma boa marca.					
Esta marca disponibiliza experiências que me levam a estar familiarizado(a) com a mesma.					
Esta marca transmite-me empatia.					
Os produtos desta marca são de elevada qualidade.					
Eu sinto-me conectado(a) a esta marca.					
Eu tenho uma avaliação favorável desta marca.					
Eu sinto-me ligado(a) a esta marca.					
Esta marca está comprometida em cumprir com as suas promessas, sem mais nem menos.					

Appendix 21 – Questionnaire: section 6 (evaluation of initiatives – brand advocacy).

Secção 6 de 6

A. Considero que o seguinte tipo de ações melhora a percepção de qualidade * que tenho sobre a marca própria Continente.

FAMÍLIA TRAVEL BELEZA PASSATEMPOS AOS PARES CONVERSAS REAIS VÍDEOS

Fruta Mãe, fruta!!!

Junho 20, 2017 / 7 Comentários

Fruta Mãe, fruta!!!

Os meus filhos não são de doces e, até agora, preferem sempre fruta a qualquer outra coisa.

Já lhes dei a experimentar chocolates e não gostaram. Gomas, nem quiseram provar. Só gostaram de um gelado que tem chocolate, mas mesmo assim só em dias especiais, porque de resto nunca pedem.

Acho que vão levar o seu tempo, mas prefiro que gostem o mais tarde possível.

A fruta é a perdição de todos! Então aquelas frutas 100% em pacotes, que podem todos comer sozinhos...ui!, pelam-se!! E para ser sincera, dessas até eu gosto, porque além de de serem ótimas dão imenso jeito para levar para fora de casa, para o lanche ou almoços. Para a praia, por exemplo, levo sempre. Estes smothies não necessitam de frio. 🙂

Se existe alguma coisa em quantidade na nossa despensa, além de leite, é "frutas de chupar" como eles chamam. Acho que é mesmo o que mais gostam de comer e vibram de alegria sempre que vão comer uma.

Nas idas ao supermercado muitas vezes chego à caixa já com umas vazias para pagar . 🙂

Há por aí mais fãs das frutas 100%?

	1	2	3	4	5	
1 - Discordo Totalmente	○	○	○	○	○	5 - Concordo Totalmente

Appendix 22 – Questionnaire: section 6 (evaluation of initiatives – brand attachment).

Secção 6 de 6

B. Considero que o desenvolvimento de produtos nacionais e regionais aumenta a ligação que sinto com a marca própria Continente. *

	1	2	3	4	5	
1 - Discordo Totalmente	○	○	○	○	○	5 - Concordo Totalmente

Appendix 23 – Questionnaire: section 6 (evaluation of initiatives – brand credibility).

Secção 6 de 6

C. Considero que a eleição por 15 anos consecutivos como Marca de Confiança aumenta o grau de confiança que sinto relativamente à marca própria Continente (ver vídeo em baixo). *

	1	2	3	4	5	
1 - Discordo Totalmente	○	○	○	○	○	5 - Concordo Totalmente

Appendix 24 – Questionnaire: section 6 (evaluation of initiatives – brand familiarity).

Secção 6 de 6

D. Considero que a criação de uma nova linha visual, consistente e flexível, possa aumentar o grau de familiaridade que sinto relativamente à marca própria Continente. *

	1	2	3	4	5	
1 - Discordo Totalmente	○	○	○	○	○	5 - Concordo Totalmente

Appendix 25 – Questionnaire: section 6 (evaluation of initiatives – brand image).

Secção 6 de 6

E. Considero que a divulgação de produtos de marca própria através de um anúncio como o apresentado abaixo possa influenciar positivamente a imagem que tenho da marca própria Continente. *

	1	2	3	4	5	
1 - Discordo Totalmente	○	○	○	○	○	5 - Concordo Totalmente

Appendix 26 – Questionnaire: section 6 (evaluation of initiatives – open response).

Secção 6 de 6

F. Identifica algum ponto de melhoria na marca própria seleccionada no início deste questionário? Se sim, qual?

Texto de resposta longa